

**WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY  
SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2005**



**Auditor of State  
Betty Montgomery**



**WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

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WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>							
<i>Passed Through Ohio Department of Education:</i>							
Nutrition Cluster:							
Food Distribution Program	N/A	2005	10.550		\$181,963		\$181,963
National School Breakfast Program	PU - 04/05	2005	10.553	\$20,656		\$20,656	
National School Lunch Program	LL-P4-04/05	2005	10.555	355,275		355,275	
Special Milk Program	02-PU-04/05	2005	10.556	16,752		16,752	
<b>Total Nutrition Cluster</b>				<b>392,683</b>	<b>181,963</b>	<b>392,683</b>	<b>181,963</b>
Special Supplemental Nutrition for Women, Infants and Children	TW-AD	2004	10.557	0		194	
<b>Total U.S. Department of Agriculture</b>				<b>392,683</b>	<b>181,963</b>	<b>392,877</b>	<b>181,963</b>
<b>U.S. DEPARTMENT OF LABOR</b>							
<i>Passed Through Private Industry Council</i>							
Jobs Training Partnership Act		1992	17.246	0		374	
<b>Total U.S. Department of Labor</b>				<b>0</b>		<b>374</b>	
<b>U.S. DEPARTMENT OF EDUCATION</b>							
<i>Passed Through Ohio Department of Education:</i>							
Special Education Cluster:							
Special Education Grants to States (IDEA Part B)	6B-SF	2004	84.027	151,845		180,028	
		2005		1,343,781		1,334,530	
<b>Total Special Education Grants to States</b>				<b>1,495,626</b>		<b>1,514,558</b>	
Special Education - Preschool Grant	PG-S1	2004	84.173	3,264		1,589	
		2005		28,716		28,006	
<b>Total Special Education - Preschool Grant</b>				<b>31,980</b>		<b>29,595</b>	
<b>Total Special Education Cluster</b>				<b>1,527,606</b>		<b>1,544,153</b>	
Grants to Local Educational Agencies (Title I)	C1-SD/S1	2004	84.010	56,452		47,140	
		2005		266,631		257,672	
<b>Total Grants to Local Educational Agencies</b>				<b>323,083</b>		<b>304,812</b>	
Drug-Free Schools Grant	DR-S1	2004	84.186	6,538		0	
		2005		23,417		21,991	
<b>Total Drug-Free School Grant</b>				<b>29,955</b>		<b>21,991</b>	
Title V, State Grants for Innovative Programs	C2-S1	2004	84.298	17,968		14,069	
		2005		34,342		24,186	
<b>Total State Grants for Innovative Programs</b>				<b>52,310</b>		<b>38,255</b>	
Title II D - Technology Fund	TJ-S1	2005	84.318	3,343		3,227	
Title III - Limited English Proficiency	T3-S1/S2	2004	84.365	19,643		17,952	
		2005		82,559		77,588	
<b>Total Title III - Limited English Proficiency</b>				<b>102,202</b>		<b>95,540</b>	
Title II-A State Grants for Improving Teacher Quality	TR-S1	2004	84.367	24,882		22,885	
		2005		203,131		203,038	
<b>Total Title II-A State Grants for Improving Teacher Quality</b>				<b>228,013</b>		<b>225,923</b>	
<b>Total U.S. Department of Education</b>				<b>2,266,512</b>		<b>2,233,901</b>	

WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2005  
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>							
<i>Passed Through Ohio Department of Education</i>							
Refugee and Entrant Assistance Discretionary Grant	RI-S1		2004 93.576	0		2,500	
			2005	2,200		0	
<b>Total U.S. Department of Health and Human Services</b>				<b>2,200</b>		<b>2,500</b>	
<b><u>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES:</u></b>							
<i>Passed Through Upper Arlington Schools:</i>							
Learn and Serve Grant			2005 94.004	3,750		4,975	
<i>Passed Through Ohio Department of Education</i>							
Learn and Serve - Homeland Security	SV-HS		2005 94.004A	15,528		12,805	
<b>Total U.S. Corporation for National and Community Services</b>				<b>19,278</b>		<b>17,780</b>	
<b><u>U.S. DEPARTMENT OF ENERGY:</u></b>							
<i>Passed Through Ohio Department of Development:</i>							
Million Solar Roofs Initiative			2004 81.119	6,019		6,019	
<b>Total U.S. Department of Energy</b>				<b>6,019</b>		<b>6,019</b>	
<b>Totals</b>				<b>\$2,686,692</b>	<b>\$181,963</b>	<b>\$2,653,451</b>	<b>\$181,963</b>

The accompanying notes to this schedule are an integral part of this schedule.

**WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2005**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Worthington City School District  
Franklin County  
200 East Wilson Bridge Road  
Worthington, Ohio 43085

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Worthington City School District, Franklin County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 9, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated December 9, 2005 we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

**Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated December 9, 2005, we reported other matters related to noncompliance we deemed immaterial.

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Worthington City School District  
Franklin County  
Independent Accountants' Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

December 9, 2005



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, N INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES**

Worthington City School District  
Franklin County  
200 East Wilson Bridge Road  
Worthington, Ohio 43085

To the Board of Education:

#### **Compliance**

We have audited the compliance of Worthington City School District, Franklin County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2005.

#### **Internal Control Over Compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of Federal Awards Receipts and Expenditures**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Worthington City School, Franklin County, Ohio, as of and for the year ended June 30, 2005, and have issued our report thereon dated December 9, 2005. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

December 9, 2005

**WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2005**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster – CFDA # 84.027 and 84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



# **WORTHINGTON CITY SCHOOL DISTRICT**

**Worthington, Ohio**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

*For Fiscal Year Ended June 30, 2005*

**Issued by:  
Office of the Treasurer**

**Jonathan Boyd  
*Treasurer***





**WORTHINGTON CITY SCHOOL DISTRICT**

# **I N T R O D U C T O R Y S E C T I O N**



Worthington Schools . . . Where Excellence Is A Tradition



# WORTHINGTON CITY SCHOOL DISTRICT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2005

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**WORTHINGTON CITY SCHOOL DISTRICT**

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200 E. Wilson Bridge Rd.  
Worthington, Ohio 43085  
Phone: 614-883-3120  
Fax: 614-883-3125

# Worthington Schools

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December 9, 2005

To the Board of Education and the Citizens of the Worthington City School District:

As the Superintendent and the Treasurer of the Worthington City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2005. This CAFR is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

This CAFR is presented in three sections:

- The **Introductory Section** includes a title page, the table of contents, this transmittal letter, a list of principal officials, and the District's organizational chart.
- The **Financial Section** includes the independent accountant's report on the financial statements, management's discussion and analysis, basic financial statements, required supplementary information, and the combining and individual fund financial statements and schedules that provide detailed information relative to the basic financial statements.
- The **Statistical Section** includes selective financial, economic, and demographic information, generally presented on a multi-year basis for comparative purposes.

The Office of the Treasurer is responsible for the accuracy of the data presented and the completeness and fairness of this presentation. We believe the data presented is accurate in all material respects.

In addition, this report is designed so that a reader can acquire the maximum understanding of the District's financial activity. This report is provided as a way for the District to communicate openly about the District's finances with its stakeholders.

Comments on the report are welcome and requests for additional financial information can be obtained by contacting the Office of the Treasurer.

# WORTHINGTON CITY SCHOOL DISTRICT

## Reporting Entity

The District is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution and various sections of the Revised Code. Under such laws, there is no authority for the District to have a charter or adopt local laws. The District is not a part of, nor under the control of, the City of Worthington.

The District encompasses approximately twenty (20) square miles. The District's boundaries include all of the City of Worthington and the Village of Riverlea, and portions of the City of Columbus, as well as unincorporated territory lying within Perry Township and Sharon Township. The District lies entirely within the boundaries of Franklin County.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units*, in that the financial statements include all organizations, activities and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the District's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the school district only (i.e. there are no component units).

## Organization of the School District

An elected five-member Board of Education (the Board) serves as the taxing authority and policy maker for the District. The Board adopts an annual tax budget and an annual appropriations resolution, which serves as the basis for control over and authorization for all expenditures of District tax money. The Board directly approves all personnel-related expenditures.

The Superintendent is the Chief Executive Officer of the District, responsible to the Board for total educational and support operations. The Treasurer is the Chief Financial Officer of the District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, preparing of the District's 5-year forecast, and investing idle funds as permitted by Ohio law. Administrative personnel reporting to the Superintendent include the Assistant Superintendent of Administrative Services, Director of Teaching and Learning, the Director of Human Resources, and the Director of Communications.

# WORTHINGTON CITY SCHOOL DISTRICT

## Economic Outlook

On March 2, 2004 the voters of Worthington City School District approved a new operating levy of 6.85 mills which was certified to generate \$12 million per year, beginning with the 2004 tax year collected in the 2005 calendar year, the first six months of which appeared in the last half of the 2005 fiscal year, and the final six months which will be collected in the first half of the 2006 fiscal year. The levy passed with 52.4% approval. This was the District's first attempt at passing a new levy. Besides the passage of the levy, the District laid out a plan to reduce operations by an accumulated amount of \$4 million through the period June 30, 2007. Passage of the 2004 levy and the budget reductions were necessary to eliminate a projected \$3.9 million deficit for the 2005 fiscal year.

When the District's 5-year forecast was completed for October 2002 it revealed that there was going to be significantly less revenue than was anticipated previously. As a result, the District reduced annual operating expenses by an additional \$5.8 million in May 2003. This reduced the District's anticipated deficit in June 2005 from \$12 million to \$3.9 million. The Board of Education's plan provided for the passage of an operating levy on the March 2, 2004 ballot to eliminate the deficit and provide funds for an additional two year period in order to allow a community engagement process to gather input on what program and services should be provided as well as how they will be funded. The engagement process was begun in May 2004 with the creation of the Worthington Superintendent's Task Force. This group of 40 citizens met nearly 22 times in order to address the ongoing challenge of providing excellent educational programming with the need to reduce costs. The goal for the task force was to create recommendations for the District to consider so that the quality of education can continue in a cost-effective manner. This committee reported out to the Board of Education at its October 10, 2005 meeting.

An important concern for the long-term financial health of the District is declining student enrollments. The District is currently analyzing data which indicates that the District is facing an average of a 3% decline in student enrollment each year for the next 5 years. This decline is appearing in the elementary schools and will work its way up through the different grade levels. This is the result of reduced births by the District's citizenry as a whole, as it citizenry continues to age. Declining enrollment will have a detrimental impact upon State funding and has been considered while preparing the District's 5 year financial forecast. In order to reduce excess capacity, the District merged two elementary schools in August 2005 and is considering what actions to take in the next two years as excess capacity is created in the middle schools.

Two other important concerns for the long-term financial health of the District is that construction has nearly saturated, which has resulted in the District almost running out of undeveloped land for future new construction and that the legislature will not put into place a permanent reimbursement plan to hold the District harmless after it

## **WORTHINGTON CITY SCHOOL DISTRICT**

eliminated tangible taxes and the current temporary reimbursement plan is finished. In the 11 year period prior to 2002, the District experienced an average new construction growth on new homes at a 3.3% annual average growth, which provided between \$1 and \$2 million annually in new construction revenue. This source of revenue allowed the District to virtually ignore the flaws in the Ohio school funding process which allowed the District to design, build, hire, and put into place the program and staff which has allowed the District to provide a successful education which is second to none in the State of Ohio. Unfortunately, new construction has dropped significantly to an estimated .5% growth for the next four years and then will drop to nearly zero. The District must now either reduce its program to a level which is provided for by state funding with supplemental help from tax payers or the tax payers must begin to pay substantially more taxes in order to neutralize the flaws in the state funding system. In regards to the elimination of the District's tangible tax base, the District would need to pass approximately 12 mills of additional taxes to replace the income currently generated by tangible taxes. It is unlikely that the community would pass this much additional millage. Therefore, the administration and Board will be working to influence legislation that will continue the reimbursements.

A final area of concern is the possibility of new legislation placing arbitrary taxation and spending limits on state funding and operations.

### **Curriculum Developments**

In the 2003-2004 school year Worthington adopted new Graded Courses of Study for all content areas. These new curriculums area aligned closely with the new Ohio Content Standards. Curriculum leaders and teachers have followed up on that work by developing curriculum maps and realigning our instruction with the benchmarks and student indicators. This has required some retooling of our faculty's skills in teaching new content and pedagogy. Additionally the District is integrating the Ohio Technology Content Standards into the K-8 Math, Science, Social Studies and Language Arts Standards. It is also developing an accountability report for 8<sup>th</sup> graders to document that they are technologically competent as defined by the Ohio Technology Standards. Work is also being done on the alignment of the Fine Arts and Foreign Language Graded Course of Study with the Ohio Content Standards.

Increased emphasis continues to be given to our English as a Second Language (ESL) and Individual Education Plan (IEP) students in order that our District could meet Annual Yearly Progress (AYP) for the 2005 State Report Card. Although our District did not pass AYP for the 2004 report card it failed to so in only one area by .3%. We have maintained our Report Card designation of Excellent for the 5th year in a row. Our District is the largest in size to have passed all standards for five successive years.

This year's administration of the Ohio Graduation Test revealed our students passing at high rates in all five areas. 96.5% of our students were proficient or above in Reading;



## **WORTHINGTON CITY SCHOOL DISTRICT**

93.4% of the students were proficient or above in math; 94.8% were proficient or above in writing; 90.9% were proficient or above in science; and 92.5 % were proficient or above in social studies.

We are continuing to work on incorporating formative assessments into classroom instruction so that teachers can continually be determining how successful they are being in ensuring all students are achieving the standards at high levels.

### **College Entrance Exams**

Results from the 2005 administration of the ACT the District continues to be above both national and state averages with the following scores: English 22.9; Math 24.8; Reading 24.1; Science 23.7; and a composite score of 24.0. Results of the SAT test reflect a continued pattern of exceptional student performance that surpasses both state and national averages. On the ACT test the District's 2005 composite score was 23.9, exceeding the national average by 3 points. The 2005 SAT test results revealed the following scores: Verbal 547; and Math 580.

### **Community Relations**

The Administrative team holds in high regard the involvement of key stakeholders. From students to parents and staff members to community members, administrators welcome participation and feedback from these groups.

The Superintendent has created a Staff Advisory Council to address routine issues that impact employment in the Worthington School District. The group meets once a month, during the school year, and the Council is comprised of one representative from each building. The meetings provide a forum for direct communications between buildings and central office staff.

A Student Advisory Council meets monthly during the school year and is made up of one student representative from each of the middle schools and two from each of the high schools. The Director of Student Services accompanies the Superintendent in facilitating discussion with the students to determine hot issues for them. Some recent topics include school culture, athletics, religion in the schools, and safety issues, just to name a few. The goal is to work with the students and use that input to improve the student experience in our middle schools and high schools.

The District is pleased with many partnership programs including those with Worthington Public Libraries, the Griswold Center, the Worthington Arts Council, the Worthington Chamber of Commerce and the City of Worthington. It is with solid partnerships and community support that an excellent school District is not only created, but maintained.

# WORTHINGTON CITY SCHOOL DISTRICT

## Financial Information

The District has prepared financial statements following GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB Statement No. 34 created new basic financial statements for reporting on the District's financial activities as follows:

- **Government-wide financial statements** – These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses.
- **Fund financial statements** – These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities presented in the government-wide financial statements. Proprietary and Fiduciary funds use the accrual basis of accounting.
- **Required supplemental budgetary comparison statements** – These statements present comparisons of actual information to the legally adopted budget for the general fund. The budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. The discussion is located in the financial section of this report, following the audit opinion, and provides an assessment of the Districts' finances of 2004-05.

## Internal Control

In developing and revising the District's accounting and internal control system, the Treasurer has considered the adequacy of internal controls to provide reasonable, but not absolute, assurance regarding:

- the safeguarding of assets against loss from unauthorized use or disposition; and
- the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- the cost of a control should not exceed the benefits likely to be derived; and
- the evaluation of costs and benefits requires estimates and judgments by management.

# WORTHINGTON CITY SCHOOL DISTRICT

Management believes that the internal controls adequately meet the above objectives.

## **Budgetary Controls**

All governmental and proprietary fund types are subject to annual expenditure budgets. The procedures below outline the District's budgetary procedures:

1. A Tax Budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by January 20 of each year, for the fiscal year commencing the following July 1. The Worthington Board of Education normally adopts the Tax Budget at its organization meeting in early January.
2. The County Budget Commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year.
3. An annual appropriation measure must be passed by October 1 of each year for the period July 1 to June 30. Unencumbered appropriations lapse at year-end. Encumbered appropriations are reported as expenditures in the current year budget basis statement of revenue, expenditures and changes in fund balance. The Board of Education adopted its appropriation measure on September 27, 2004. The legal level of budgetary control is at the fund, 1 level function, 1 level object for the General fund. All other funds budget at the fund level. The appropriation measure may be amended or supplemented during the year as new information becomes available. Management controls the budget at their building or department level and may transfer funds within their individual budgets throughout the year. The final appropriations measure including all transfers made by management was approved by the Board of Education on June 27, 2005.

Additionally, the District maintains an encumbrance accounting system as a useful technique of accomplishing budgetary control. Under encumbrance accounting, purchase orders, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation.

The District prepares its budget on a basis of accounting that differs from GAAP. The actual results of operations are presented in the Schedules of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual in accordance with the budget basis of accounting.

# WORTHINGTON CITY SCHOOL DISTRICT

## Cash Management

The District maintains a cash management program whereby it expedites the receipt of revenues and prudently invests available cash. Temporarily idle cash during the year was invested in demand deposits, obligations of the U.S. Treasury, U.S. Agencies, State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposits, and repurchase agreements. The District earned \$778,803 on all investments for the year ended June 30, 2005. The Treasurer, as custodian of all District money, is responsible for investing idle funds and directing the investment policies of the District.

The District's investment policy establishes the following objectives:

**Liquidity:** Funds shall be available to meet immediate payment requirements including payroll, accounts payable, and debt service.

**Safety:** Investments shall be consistent with the requirements of the Ohio Revised Code, shall seek the preservation of public funds, and speculation is prohibited.

**Income:** The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and the cash flow characteristics of the portfolio.

The investment policy allows interim funds to be invested in certificates of deposit, interest-bearing demand deposit accounts, U.S. Treasury and government agency securities, repurchase agreements, commercial paper, banker's acceptances, and the STAR Ohio. Deposits with financial institutions were either insured by federal depository insurance or collateralized in accordance with the requirement of the State of Ohio. Substantially all collateral on deposits was held either by the District's agent or a financial institution's trust department, not in the District's name.

Repurchase agreements are limited to a maximum maturity of 30 days. U.S. Treasury and government agency securities are limited to a maximum maturity of 2 years. Bankers' Acceptances must be issued by banks that are members of the FDIC and are limited to a maximum maturity of 180 days. Investment in commercial paper is limited to companies incorporated under the laws of the United States or any state, whose assets exceed five hundred million dollars, and whose notes are rated at the time of purchase as A-1/P-1. The aggregate value of commercial paper purchased cannot exceed 10% of the aggregate value of the outstanding commercial paper of the issuing company. Investment in Bankers' Acceptances and commercial paper cannot collectively exceed 25% of the District's interim funds available at the time of investment.

STAR Ohio is an investment pool managed by the Treasurer of the State of Ohio and is similar in concept to a registered investment company issuing redeemable securities, of

## **WORTHINGTON CITY SCHOOL DISTRICT**

the type commonly called a "money market mutual fund." The investment objective of STAR Ohio is to seek as high a level of current income as is consistent with prudent investment management, the preservation of capital and maintenance of liquidity. STAR Ohio's investments are prescribed in the Ohio Revised Code and include U.S. Treasury and government agency securities, certificates of deposit, repurchase agreements, commercial paper, and bankers' acceptances.

The District modified its investment policy to comply with Ohio Senate Bill 81. Amounts invested throughout the year and at year-end comply with the District's revised investment policy.

In 1998, the District adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value, except non-negotiable certificates of deposits and repurchase agreements, which are reported at cost.

### **Risk Management**

The District is part of a statewide plan for workers' compensation insurance coverage. Additionally, the District carries all-risk property insurance, liability and excess liability insurance, as well as officers' liability insurance. The District provides medical and life coverage for its employees on a fully insured basis and dental insurance on a self-insurance basis. The District pays into the Employee Benefit Insurance Internal Service Fund at various rates based on the coverage selected by the employee. Claims are reviewed by a claims administrator and then paid by the District. A claims liability of approximately \$140,000 at June 30, 2005, in the Internal Service Fund reflects an estimate of incurred but unpaid claims liability. This liability was determined in accordance with acceptable reserving standards and was certified by an accredited actuary, as required by state statute.

### **Independent Auditors**

The basic financial statements of the District for the year ended June 30, 2005, were audited by the Ohio Auditor of State whose unqualified opinion thereon is included at the beginning of the Financial Section of this report.

### **Certificate of Achievement Program**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Worthington City School District for its Comprehensive Annual Report for the fiscal year ended June 30, 2004. This was the 12<sup>th</sup> consecutive year that the District has achieved this prestigious award.

## WORTHINGTON CITY SCHOOL DISTRICT

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Worthington City School District has received a Certificate of Achievement for the last twelve fiscal years. We believe this current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

### **Acknowledgments**

The preparation of this report was made possible by the diligence of the staff of the Financial Services department. Their initiative and conscientious work ensured the integrity of the information contained herein and guaranteed this report's successful completion. We would also like to express our appreciation to Tracy DeMatteo for her contribution in preparing this report.

In closing, we would like to thank the Board of Education for their support without which the preparation of this report would not have been possible.

Respectfully submitted,

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Jonathan Boyd, Treasurer

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Rick Fenton, Superintendent

# **WORTHINGTON CITY SCHOOL DISTRICT**

## **ELECTED OFFICIALS AND ADMINISTRATIVE STAFF**

**June 30, 2005**

### **Board of Education Members**

President	David Bressman
Vice-President	Gary Tyack
Member	Carol Hasbrouck
Member	Robert Horton
Member	Jennifer Best

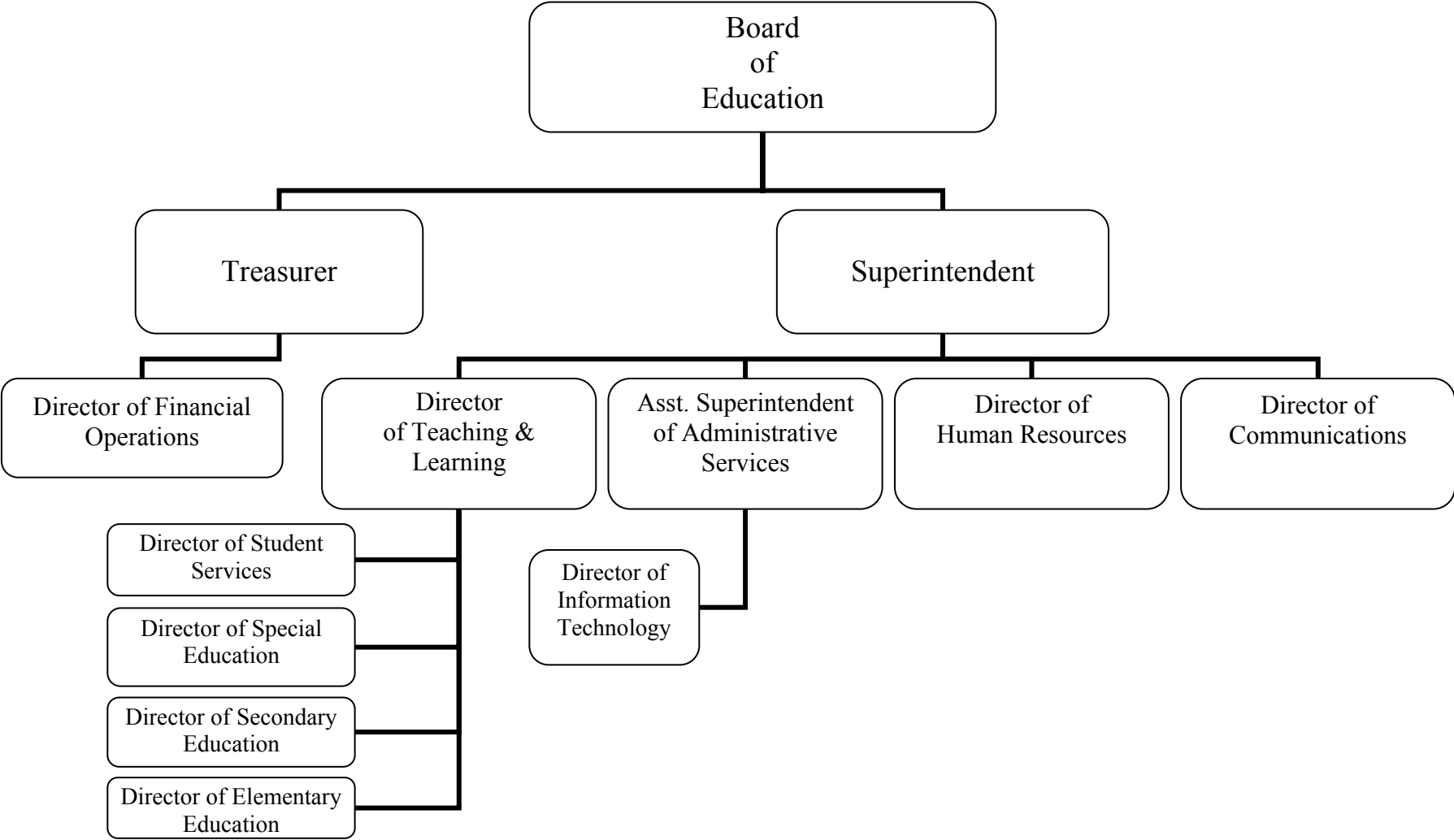
### **Appointed Officials**

Superintendent	Rick Fenton
Treasurer	Jonathan Boyd

### **Administrative Staff**

Asst. Superintendent of Admin. Services	Paul Cynkar
Director of Teaching & Learning	Jennifer Wene
Director of Student Services	Jim McElligott
Director of Secondary Education	Scot Prebles
Director of Elementary Education	Mark Glasbrenner
Director of Special Education	Lynne Hamelberg
Director of Human Resources	Jeanne Paliotto
Director of Information Technology	Keith Schlarb
Director of Communication	Victoria Gnezda
Director of Financial Operations	Tracy DeMatteo

**Worthington City School District  
Organizational Chart**





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Worthington City School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Zjelke*

President

*Jeffrey R. Emer*

Executive Director



**WORTHINGTON CITY SCHOOL DISTRICT**

**FINANCIAL  
SECTION**



Worthington Schools . . . Where Excellence Is A Tradition





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Worthington City School District  
Franklin County  
200 East Wilson Bridge Road  
Worthington, Ohio 43085

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Worthington City School District, Franklin County, Ohio (the District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Worthington City School District, Franklin County, Ohio, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2005, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis and the budgetary comparison for the General fund are not a required part of the basic financial statements but are supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules, and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

December 9, 2005

**Worthington City School District**  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2005  
(Unaudited)

As management of the Worthington City School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the District's financial statements, which follow this section.

### **Financial Highlights**

The District's net assets are \$50,414,938 as of June 30, 2005 according to the Statement of Net Assets. This represents an increase of \$11,343,368 or 29.0% over last year. The increase in net assets is primarily due to the District receiving additional property taxes attributable to the timing of the certification of revenues by the County. In Ohio, only the portion of property taxes legally available as an advance by June 30 is reported as revenue on both the full accrual and modified accrual basis of accounting. Thus, in the previous year Franklin County certified the amount of tax available for advance was approximately \$16,000,000; whereas, the amount available for advance at June 30, 2005 was approximately \$21,000,000. Additionally, revenues outpaced expenses by approximately \$5 million as planned as the District put in place cost saving measures prior to the passage of the 2004 operating levy. The General Fund reported a positive fund balance of \$17,964,311 on June 30, 2005.

While the 2005 fiscal year financial position improved, the long term financial health of the District continues to deteriorate. The District's 5-year forecast completed in the fall of 2005 revealed a significantly changing financial picture. Some of those issues include a rapidly declining rate of new construction as a result the approaching end of available land upon which to build new homes and business; declining state funding as a result of declining student enrollments, which reflect fewer kindergartners as compared to graduating seniors, as well as flaws in the state funding formula which results in more lost state revenue from inflationary increases in home and business values than is generated in local tax increases from the increased value; a continued erosion of the Districts tax base as a result of continued changes implemented by the Ohio Legislature. As a result of these issues, the District's ending unencumbered cash balance is forecasted at a \$5.7 million deficit by June 30, 2008.

### **Reporting the District as a Whole**

#### *The Statement of Net Assets and Statement of Activities*

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the District's financial health is

improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

## **Reporting the District's Most Significant Funds**

### *Fund Financial Statements*

Our analysis of the District's major funds appears on the fund financial statements beginning with the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances. These statements provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary, and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

### *Governmental Funds*

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

### *Proprietary Funds*

Proprietary funds use the accrual basis of accounting; the same as on the entity-wide statements, therefore the statements will essentially match the business-type activities portion of the entity-wide statements.

### *Fiduciary Funds*

The District's fiduciary funds are as follows: One Private Purpose Trust, a District Managed Agency fund, and a Student Managed Activities Agency fund. The District's fiduciary activities are reported in the Statement of Net Assets, Fiduciary Funds. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

## **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$50,414,938 according to the Statement of Net Assets at the close of the most recent fiscal year.

One of the largest portions of the District's net assets (46.0%) reflects its investment in capital assets less depreciation and any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt



must be provided from other sources, since the capital assets themselves usually are not used to liquidate these liabilities.

A comparative analysis of fiscal year 2005 to 2004 follows from the Statements of Net Assets:

<b>Worthington City School District</b>						
<b>Net Assets</b>						
	Governmental Activities		Business-Type Activities		Total	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Current assets	\$ 103,303,488	\$ 93,559,424	520,941	638,657	103,824,429	94,198,081
Capital assets	<u>70,085,295</u>	<u>72,902,931</u>	<u>488,746</u>	<u>508,450</u>	<u>70,574,041</u>	<u>73,411,381</u>
Total assets	<u>173,388,483</u>	<u>166,462,355</u>	<u>1,009,687</u>	<u>1,147,107</u>	<u>174,398,470</u>	<u>167,609,462</u>
Current liabilities	67,828,106	66,598,622	301,763	311,366	68,129,869	66,909,988
Long-term liabilities	<u>55,682,012</u>	<u>61,478,342</u>	<u>171,351</u>	<u>149,562</u>	<u>55,853,363</u>	<u>61,627,904</u>
Total liabilities	<u>123,510,118</u>	<u>128,076,964</u>	<u>473,114</u>	<u>460,928</u>	<u>123,983,232</u>	<u>128,537,892</u>
Net Assets:						
Invested in capital, net of debt	22,705,042	22,678,684	488,746	508,450	23,193,788	23,187,134
Restricted	10,393,579	8,169,958	-	-	10,393,579	8,169,958
Unrestricted	<u>16,779,744</u>	<u>7,536,749</u>	<u>47,827</u>	<u>177,729</u>	<u>16,827,571</u>	<u>7,714,478</u>
Total net assets	<u>\$ 49,878,365</u>	<u>\$ 38,385,391</u>	<u>\$ 536,573</u>	<u>\$ 686,179</u>	<u>\$ 50,414,938</u>	<u>\$ 39,071,570</u>

A portion of the District's net assets (20.6%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's ongoing activities.

**Worthington City School District  
Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
<b>Program revenues:</b>						
Charges for services	\$ 2,183,381	\$ 2,670,369	2,419,317	2,470,919	4,602,698	5,141,288
Federal grants	2,568,537	1,983,430	573,458	389,368	3,141,995	2,372,798
State grants	1,457,533	1,254,113	9,316	8,133	1,466,849	1,262,246
<b>General revenues:</b>						
Property taxes	89,581,704	88,934,152	-	-	89,581,704	88,934,152
State entitlements	25,306,239	25,332,184	-	-	25,306,239	25,332,184
Interest income	771,016	272,874	7,787	9,566	778,803	282,440
Other	1,338,730	1,684,378	-	-	1,338,730	1,684,378
Total revenues	<u>123,207,140</u>	<u>122,131,500</u>	<u>3,009,878</u>	<u>2,877,986</u>	<u>126,217,018</u>	<u>125,009,486</u>
<b>Program expenses:</b>						
Instructional	66,002,789	65,307,386	-	-	66,002,789	65,307,386
Support services	39,097,237	37,548,735	-	-	39,097,237	37,548,735
Co-curricular student activities	2,577,898	2,486,200	-	-	2,577,898	2,486,200
Community services	1,016,675	729,158	-	-	1,016,675	729,158
Interest on long-term debt	3,019,567	3,403,043	-	-	3,019,567	3,403,043
Food service	-	-	3,159,484	3,157,516	3,159,484	3,157,516
Total expenses	<u>111,714,166</u>	<u>109,474,522</u>	<u>3,159,484</u>	<u>3,157,516</u>	<u>114,873,650</u>	<u>112,632,038</u>
Increase(decrease) in net assets	<u>\$ 11,492,974</u>	<u>12,656,978</u>	<u>(149,606)</u>	<u>(279,530)</u>	<u>11,343,368</u>	<u>12,377,448</u>

**Governmental Activities**

Net assets of the District's governmental activities increased by \$11,492,974. The increase in net assets is primarily due to the District receiving additional property taxes as a result of the timing of certification of revenues as well as revenues outpacing expenses as discussed above.

The property tax laws in Ohio create the need periodically to seek voter approval for additional operating funds. Tax revenues generated from voted tax levies do not increase as a result of inflation. An operating levy is approved for a fixed millage rate, but the rate is reduced for inflation with the effect of providing the District the same amount of tax dollars as originally approved. Therefore, school districts such as ours that are dependent upon property taxes as a primary source of revenue must periodically return to the ballot and ask voters for additional resources to maintain current programs. Since the District must rely heavily on voter approval of operating tax issues, management of the resources is of paramount concern to the District's administration and the voting public.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. General revenues including tax revenue, investment earnings and unrestricted State entitlements must support the net cost of program services.

<u>Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost of Service</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Instructional services	\$ 66,002,789	\$ 65,307,386	62,996,968	62,540,565
Support services	39,097,237	37,548,735	37,540,617	36,025,045
Co-curricular student activities	2,577,898	2,486,200	1,752,657	1,657,666
Community services	1,016,675	729,158	194,906	(59,709)
Interest on long-term debt	3,019,567	3,403,043	3,019,567	3,403,043
Total	<u>\$ 111,714,166</u>	<u>109,474,522</u>	<u>105,504,715</u>	<u>103,566,610</u>

Local property taxes make up 72.7% of total revenues for governmental activities. The net services column reflecting the need for \$105,504,715 of support indicates the reliance on general revenues to support governmental activities.

#### *Business-Type Activities*

Business-type activities include food service activities. This program had a decrease in net assets of \$149,606 for the fiscal year. This net decrease is a result of the District planning on spending down available reserves in Food Service Fund.

#### **The District's Funds**

The District's governmental funds reported a combined fund balance of \$27,887,846, which represents an increase of \$6,657,987 as compared to last year's total of \$21,229,859 according to the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. The schedule below shows the fund balance and the total change in fund balance from June 30, 2005 to 2004.

	<u>Fund Balance at June 30, 2005</u>	<u>Fund Balance at June 30, 2004</u>	<u>Increase (Decrease)</u>
General Fund	\$ 17,964,311	11,745,743	6,218,568
Debt Service Fund	4,647,364	4,268,822	378,542
Other Governmental Funds	5,276,171	5,215,294	60,877
Total	<u>\$ 27,887,846</u>	<u>21,229,859</u>	<u>6,657,987</u>

#### *General Fund*

The District's General Fund balance increased as a result of the increase in property tax revenues over prior year while expenditures remained stable.

**Revenues**

	<u>2005</u>	<u>2004</u>	<u>% Change</u>
Property taxes	\$ 80,177,201	\$ 78,454,204	2.20%
Intergovernmental	24,436,727	24,492,000	-0.23%
Investment income	753,622	238,030	216.61%
Other revenue	<u>1,138,027</u>	<u>1,530,688</u>	-25.65%
Total	<u>\$ 106,505,577</u>	<u>104,714,922</u>	<u>1.71%</u>

The increase in net assets is primarily due to the District receiving additional property taxes as a result of the timing of certification of revenues as discussed above.

As the table below indicates, the largest portion of General Fund expenditures is for instructional cost.

**Expenditures by Function**

	<u>2005</u>	<u>2004</u>	<u>% Change</u>
Instructional services	\$ 61,003,303	\$ 59,655,565	2.26%
Support services	36,934,026	36,528,505	1.11%
Co-curricular student activities	1,585,305	1,733,625	-8.56%
Community Service	124,760	-	100.00%
Debt service	-	650,000	-100.00%
Capital outlay	-	<u>703</u>	-100.00%
Total	<u>\$ 99,647,394</u>	<u>98,568,398</u>	<u>1.09%</u>

Expenditures are up only 1.09% over the prior year mostly due the Districts focus on keeping cost stable.

***Debt Service Fund***

The Debt Service Fund balance increased by \$378,542, due to the expected increase in property tax revenues.

***Other Funds***

Other governmental funds consist of Special Revenue and Capital Projects funds. The Fund balance in the other nonmajor funds increased by \$60,877.

**General Fund Budget Information**

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. Changes are made to the District's budget as changes in revenues and spending patterns are experienced. In the current year, the overall revenue budget was increased primarily due to the timing of cash tax advances received as of fiscal year end and an increase in state sources for higher than anticipated state revenues as allocated by the State.

The District uses the five-year forecast as the original document from which to form the operating budget. After updating the forecast for changes in revenue and expenditure assumptions, the operating budget begins at the school level. Each school in the District receives a per pupil allocation augmented with resources for special education students in the

specific buildings. Budgets are reviewed periodically to ensure management becomes aware of any variations during the year.

### **Capital Assets**

The District has \$70,574,041 invested in capital assets net of depreciation, with \$70,085,295 attributed to governmental activities. Detailed information regarding capital asset activity is included in the notes to the basic financial statements.

### **Debt**

On June 30, 2005, the District had \$48,682,012 in outstanding notes, certificates of participation and bonds. This amount includes \$2,493,493 in accretion on deep discount debt. The District paid \$7,443,254 in principal on notes, certificates of participation and bonds outstanding and \$2,238,067 in interest payments during the 2004 fiscal year. Detailed information regarding long-term debt is included in the notes to the basic financial statements.

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% (exclusive of any accretion on deep discount debt and certificates of participation) of the total taxable valuation of real and personal property. As of June 30, 2005, the District's general obligation debt was below the legal limit.

### **Request for Information**

This financial report is designed to provide the citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show accountability for the money it receives. Questions concerning any information provided in this report or request for additional financial information should be addressed to the Treasurer of the Worthington City School District at 200 E. Wilson Bride Rd. Worthington, Ohio 43085

**WORTHINGTON CITY SCHOOL DISTRICT**

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# **BASIC FINANCIAL STATEMENTS**

**WORTHINGTON CITY SCHOOL DISTRICT**

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WORTHINGTON CITY SCHOOL DISTRICT  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2005

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS:</b>			
Cash and investments	\$ 41,314,421	429,647	41,744,068
Receivables	60,850,657	-	60,850,657
Internal balances	(7,787)	7,787	-
Due from other- Governments	810,491	-	810,491
Inventory	234,694	83,507	318,201
Prepaid assets	100,712	-	100,712
Land	10,303,370	-	10,303,370
Other capital assets, net	59,781,925	488,746	60,270,671
<b>TOTAL ASSETS</b>	<b>\$ 173,388,483</b>	<b>1,009,687</b>	<b>174,398,170</b>
<b>LIABILITIES:</b>			
Accounts payable	\$ 785,717	1,092	786,809
Due to other- Governments	3,102,780	131,444	3,234,224
Unearned income	54,669,014	-	54,669,014
Accrued wages	-	-	-
Accrued liabilities	9,270,595	169,227	9,439,822
Long-term Liabilities:			
Due within one year	4,115,443	29,620	4,145,063
Due in more than one year	51,566,569	141,731	51,708,300
<b>TOTAL LIABILITIES</b>	<b>123,510,118</b>	<b>473,114</b>	<b>123,983,232</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	22,705,042	488,746	23,193,788
Restricted for:			
Debt Service	4,858,924	-	4,858,924
Capital Projects	2,683,230	-	2,683,230
Special revenue	2,851,425	-	2,851,425
Unrestricted	16,779,744	47,827	16,827,571
<b>TOTAL NET ASSETS</b>	<b>\$ 49,878,365</b>	<b>536,573</b>	<b>50,414,938</b>

The notes to the financial statements are an integral part of this statement.

WORTHINGTON CITY SCHOOL DISTRICT  
 STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Program Revenues		
Expenses	Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities			
Instructional services:			
Regular	\$ 55,292,157	882,830	300,201
Special	10,052,086	440,398	1,382,392
Vocational	651,839	-	-
Continuing	6,707	-	-
Support services:			
Operation and maintenance of plant	9,830,408	10,021	86,094
School administration	8,213,238	5,015	73,947
Pupils	5,650,850	9,040	144,719
Business operations	2,797,146	-	-
Instructional staff	6,970,982	18,936	1,073,191
Student transportation	3,410,132	-	35,595
Central services	2,167,366	-	100,062
General administration	57,115	-	-
Co-curricular student activities	2,577,898	817,141	8,100
Community services	1,016,675	-	821,769
Interest on long-term debt	3,019,567	-	-
Total Governmental Activities	111,714,166	2,183,381	4,026,070
Business-Type Activities			
Food Service Fund	3,159,484	2,419,317	582,774
Totals	\$ 114,873,650	4,602,698	4,608,844

General revenues:

  Property taxes

  Grants and entitlements not restricted to specific programs

  Investment earnings

  Miscellaneous

Total general revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(54,109,126)	-	(54,109,126)
(8,229,296)	-	(8,229,296)
(651,839)	-	(651,839)
(6,707)	-	(6,707)
(9,734,293)	-	(9,734,293)
(8,134,276)	-	(8,134,276)
(5,497,091)	-	(5,497,091)
(2,797,146)	-	(2,797,146)
(5,878,855)	-	(5,878,855)
(3,374,537)	-	(3,374,537)
(2,067,304)	-	(2,067,304)
(57,115)	-	(57,115)
(1,752,657)	-	(1,752,657)
(194,906)	-	(194,906)
<u>(3,019,567)</u>	<u>-</u>	<u>(3,019,567)</u>
(105,504,715)	-	(105,504,715)
<u>-</u>	<u>(157,393)</u>	<u>(157,393)</u>
<u>(105,504,715)</u>	<u>(157,393)</u>	<u>(105,662,108)</u>
89,581,704	-	89,581,704
25,306,239	-	25,306,239
771,016	7,787	778,803
1,338,730	-	1,338,730
<u>116,997,689</u>	<u>7,787</u>	<u>117,005,476</u>
11,492,974	(149,606)	11,343,368
<u>\$ 38,385,391</u>	<u>686,179</u>	<u>\$ 39,071,570</u>
<u>\$ 49,878,365</u>	<u>536,573</u>	<u>\$ 50,414,938</u>

**WORTHINGTON CITY SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2005**

	GOVERNMENTAL FUNDS			TOTAL
	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	
<b>ASSETS :</b>				
Cash and investments	\$ 30,197,301	4,629,364	5,384,133	40,210,798
Receivables	54,829,649	5,990,000	31,008	60,850,657
Due from other:				
Governments	-	-	810,491	810,491
Inventory	226,130	-	-	226,130
Prepaid assets	100,712	-	-	100,712
<b>TOTAL ASSETS</b>	<b>\$ 85,353,792</b>	<b>10,619,364</b>	<b>6,225,632</b>	<b>102,198,788</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 623,519	-	87,738	711,257
Due to other:				
Governments	3,008,495	-	88,260	3,096,755
Funds	7,787	-	-	7,787
Unearned income	54,527,000	5,972,000	433,965	60,932,965
Accrued liabilities	8,572,680	-	339,498	8,912,178
Tax anticipation note payable	650,000	-	-	650,000
<b>TOTAL LIABILITIES</b>	<b>67,389,481</b>	<b>5,972,000</b>	<b>949,461</b>	<b>74,310,942</b>
<b>FUND BALANCES:</b>				
Reserved for encumbrances	2,907,765	-	459,637	3,367,402
Reserved for inventory and prepaid expenditures	326,842	-	-	326,842
Reserved for future appropriations	18,821,490	2,121,806	-	20,943,296
Unreserved, reported in:				
General fund	(4,091,786)	-	-	(4,091,786)
Special Revenue funds	-	-	2,490,155	2,490,155
Debt Service fund	-	2,525,558	-	2,525,558
Capital Projects funds	-	-	2,326,379	2,326,379
<b>TOTAL FUND BALANCES</b>	<b>17,964,311</b>	<b>4,647,364</b>	<b>5,276,171</b>	<b>27,887,846</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 85,353,792</b>	<b>10,619,364</b>	<b>6,225,632</b>	<b>102,198,788</b>

The notes to the financial statements are an integral part of this statement.

WORTHINGTON CITY SCHOOL DISTRICT  
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
 NET ASSETS OF GOVERNMENTAL ACTIVITIES  
 JUNE 30, 2005

<b>Total Governmental Fund Balances</b>	<b>\$ 27,887,846</b>
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>	
Capital assets used in governmental activities are not functional resources and therefore are not reported in the funds.	69,852,456
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	6,263,951
An internal fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	1,115,702
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.	
Interest payable	(209,578)
Compensated absences	(7,651,759)
Bonds and note payable	(41,250,253)
Certificates of Participation	(6,130,000)
<b>Net Assets of Governmental Activities</b>	<b><u>\$ 49,878,365</u></b>

The notes to the financial statements are an integral part of this statement.

WORTHINGTON CITY SCHOOL DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES--GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2005

	GOVERNMENTAL FUNDS			TOTAL
	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	
<b>REVENUES:</b>				
Property taxes	\$ 80,177,201	8,533,324	-	88,710,525
Intergovernmental:				
Federal Restricted Grants-in-aid	-	-	2,435,704	2,435,704
State:				
Unrestricted Grants-in-aid	24,328,664	949,151	-	25,277,815
Restricted Grants-in-aid	108,063	-	1,347,270	1,455,333
Investment income	753,622	-	17,394	771,016
Co-curricular activities	-	-	732,247	732,247
Tuition fees	456,165	-	511,559	967,724
Other	681,862	-	533,709	1,215,571
<b>TOTAL REVENUES</b>	<b>106,505,577</b>	<b>9,482,475</b>	<b>5,577,883</b>	<b>121,565,935</b>
<b>EXPENDITURES:</b>				
Current:				
Instructional services:				
Regular	51,316,074	-	1,061,019	52,377,093
Special	9,000,622	-	1,246,655	10,247,277
Vocational	680,369	-	374	680,743
Continuing	6,238	-	-	6,238
<b>TOTAL INSTRUCTIONAL SERVICES</b>	<b>61,003,303</b>	<b>-</b>	<b>2,308,048</b>	<b>63,311,351</b>
Support services:				
Operation and maintenance of plant	9,617,480	-	174,890	9,792,370
School administration	7,817,795	-	75,577	7,893,372
Pupils	5,558,099	-	160,918	5,719,017
Business operations	2,678,775	81,537	-	2,760,312
Instructional staff	6,027,116	-	1,015,755	7,042,871
Student transportation	3,256,152	-	2,219	3,258,371
Central services	1,921,207	-	271,059	2,192,266
General administration	57,402	-	-	57,402
<b>TOTAL SUPPORT SERVICES</b>	<b>36,934,026</b>	<b>81,537</b>	<b>1,700,418</b>	<b>38,715,981</b>
Co-curricular student activities	1,585,305	-	1,021,447	2,606,752
Community services	124,760	-	906,427	1,031,187
Capital outlay	-	-	208,913	208,913
Debt service:				
Principal retirement	-	7,443,254	-	7,443,254
Interest	-	2,238,067	-	2,238,067
<b>TOTAL EXPENDITURES</b>	<b>99,647,394</b>	<b>9,762,858</b>	<b>6,145,253</b>	<b>115,555,505</b>
Excess (deficiency) of revenues over expenditures	6,858,183	(280,383)	(567,370)	6,010,430
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	19,310	-	628,247	647,557
Transfers in	-	658,925	-	658,925
Transfers out	(658,925)	-	-	(658,925)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(639,615)</b>	<b>658,925</b>	<b>628,247</b>	<b>647,557</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	6,218,568	378,542	60,877	6,657,987
<b>FUND BALANCES AT BEGINNING OF YEAR, as restated</b>	<b>11,745,743</b>	<b>4,268,822</b>	<b>5,215,294</b>	<b>21,229,859</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 17,964,311</b>	<b>4,647,364</b>	<b>5,276,171</b>	<b>27,887,846</b>

The notes to the financial statements are an integral part of this statement.

WORTHINGTON CITY SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005

<b>Net Changes in Fund Balances - Total Governmental Funds</b>	<b>\$ 6,657,987</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>	(3,050,475)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>	1,034,636
<p>Repayment of bond principal is an expenditure in governmental fund, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense in the statement of activities.</p>	7,443,254
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is recorded when due.</p>	(781,500)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Compensated absences	(849,837)
<p>An internal fund is used by management to charge the cost of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expenses) of the internal service fund is allocated among governmental activities.</p>	1,038,909
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ 11,492,974</u></b>

The notes to the financial statements are an integral part of this statement.

WORTHINGTON CITY SCHOOL DISTRICT  
 STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2005

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Fund	Internal Service Funds
<b>ASSETS</b>		
Cash and investments	\$ 429,647	1,103,623
Due from other funds	7,787	-
Inventory	83,507	8,564
Total current assets	520,941	1,112,187
Capital Assets, Net	488,746	232,839
<b>Total assets</b>	1,009,687	1,345,026
<b>LIABILITIES</b>		
Accounts payable	1,092	74,460
Due to other governments	131,444	6,025
Accrued liabilities	198,487	148,839
Total current liabilities	331,023	229,324
Long-term liabilities	142,091	-
<b>Total liabilities</b>	473,114	229,324
<b>Net Assets</b>		
Invested in Capital Assets	488,746	232,839
Unrestricted	47,827	882,863
<b>Total Net Assets</b>	\$ 536,573	1,115,702

The notes to the financial statements are an integral part of this statement.



WORTHINGTON CITY SCHOOL DISTRICT  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED 30, 2005

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	Nonmajor Enterprise Fund	Internal Service Funds
<b>Operating Revenues:</b>		
Food service sales	\$ 2,419,317	-
Charges for services	-	14,136,052
Total operating revenues	2,419,317	14,136,052
<b>Operating Expenses:</b>		
Supplies and materials	1,280,453	77,252
Personal services	1,774,382	108,741
Purchased services	47,250	13,055,699
Depreciation	57,293	2,451
Other	106	-
Total operating expenses	3,159,484	13,244,143
Operating income (loss)	(740,167)	891,909
<b>Nonoperating Revenues (Expenses):</b>		
State sources	9,316	-
Federal sources	573,458	-
Investment income	7,787	-
Total nonoperating revenues before capital contributions	590,561	-
Capital contributions	-	147,000
<b>Change in Net Assets</b>	(149,606)	1,038,909
<b>Net assets at beginning of year</b>	686,179	76,793
<b>Net assets at end of year</b>	\$ 536,573	1,115,702

WORTHINGTON CITY SCHOOL DISTRICT  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED 30, 2005

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	Nonmajor Enterprise Fund	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from sales	\$ 2,419,317	323,629
Cash received from charges for services	-	13,812,423
Cash payments for personal services	(1,762,114)	(102,042)
Cash payments for purchased services	(47,250)	(13,057,917)
Cash payments for supplies and materials	(1,127,454)	(13,829)
Cash payments for other expenses	(106)	-
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(517,607)</b>	<b>962,264</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State sources	9,316	-
Federal sources	391,495	-
<b>NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	<b>400,811</b>	<b>-</b>
<b>CASH FLOWS USED IN CAPITAL AND OTHER RELATED RELATED FINANCING ACTIVITIES-</b>		
Acquisition of Property, plant and equipment	(38,869)	(88,290)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(155,665)</b>	<b>873,974</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>585,312</b>	<b>229,649</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 429,647</b>	<b>1,103,623</b>
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
<b>Operating income (loss)</b>	\$ (740,167)	891,909
Depreciation	57,293	2,451
Donated commodities used	183,243	-
Change in assets and liabilities:		
Inventory	(30,162)	1,234
Accounts payable	(82)	39,971
Due to other governments	(8,670)	988
Accrued liabilities	20,938	25,711
Net cash provided (used) by operating activities	\$ (517,607)	962,264
Supplemental Information		
Noncash activities:		
Donated commodities	\$ 183,243	-
Capital contribution	\$ -	147,000

The notes to the financial statements are an integral part of this statement.

WORTHINGTON CITY SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2005

	PRIVATE PURPOSE TRUST	AGENCY FUNDS
<b>ASSETS:</b>		
Cash and investments	\$ 152,669	639,209
Inventory	-	8,260
<b>TOTAL ASSETS</b>	<b>152,669</b>	<b>647,469</b>
<b>LIABILITIES:</b>		
Accounts payable	-	19,171
Due to other:		
Other		628,298
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>647,469</b>
<b>NET ASSETS</b>		
Assets held in trust for scholarships	<b>\$ 152,669</b>	

The notes to the financial statements are an integral part of this statement.

WORTINGTON CITY SCHOOL DISTRICT  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 YEAR ENDED JUNE 30, 2005

		PRIVATE PURPOSE TRUST
		<u>                    </u>
<b>ADDITIONS:</b>		
Investment Earnings	\$	4,369
Contributions		3,370
<b>TOTAL ADDITIONS</b>		<u>7,739</u>
 <b>DEDUCTIONS -</b>		
Contributions-Scholarships		17,324
<b>TOTAL DEDUCTIONS</b>		<u>17,324</u>
Change in net assets		(9,585)
NET ASSETS-beginning of the year		162,254
NET ASSETS-end of the year	\$	<u><u>152,669</u></u>

The notes to the financial statements are an integral part of this statement.

# WORTHINGTON CITY SCHOOL DISTRICT

## Notes to the Basic Financial Statements

June 30, 2005

### 1. Reporting Entity

The Worthington City School District (the District) is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution and various sections of the Revised Code. Under such laws, there is no authority for the District to have a charter or adopt local laws. The District is not a part of, nor under the control of, the City of Worthington.

The District encompasses approximately twenty (20) square miles. The District's boundaries include all of the City of Worthington and the Village of Riverlea, and portions of the City of Columbus, as well as unincorporated territory lying within Perry Township and Sharon Township. The District lies entirely within the boundaries of Franklin County.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units*, in that the financial statements include all organizations, activities, and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the District's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the District only (i.e., there are no component units).

The Worthington Public Library is a school district library created under Chapter 3375 of the Ohio Revised Code and is located in the City of Worthington. The Board of Trustees of the Library controls and manages the Library and issues its own financial statements. Although the Worthington Board of Education is required to approve appointments to the Board of Trustees and to approve the annual budget, the Board has no authority to reject the Library's recommendations.

The Worthington Educational Foundation (WEF) is a separate legal non-profit organization organized to benefit the citizens of the City of Worthington. The Board of WEF consists of twenty-two (22) members of which one member is a current member of the Board of Education. Additionally, the Superintendent of the District is an ex officio member of the WEF Board. The Board of Trustees of WEF controls and manages WEF and issues its own financial statements. In fiscal 2001 the WEF assisted the Worthington City School District in arranging financing for the purchase of the Worthington Educational and Administrative Building.

The Rockbridge Academy (Academy) is a joint venture consisting of a consortium of five school districts. The joint venture was formed for the purpose of providing alternative education services to at risk students. The initial capital of the Academy was raised through the receipt of a State Grant in the amount of \$375,000.

The Governing Board of the Academy consists of five members appointed by each member school. The District does not have an equity interest that is explicit and measurable in the joint venture, however the District does have an ongoing financial obligation to support the Academy in meeting its financial obligations. The Academy is dependent upon continued support of the member schools as it is not independently accumulating adequate financial resources.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

Upper Arlington City School District is the financial agent for the Academy. Further detailed financial information may be obtained by contacting the Upper Arlington City School District at 614-487-5007.

## **2. Summary of Significant Accounting Policies**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Beginning July 1, 2002, the District changed its financial reporting to comply with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and GASB Statement No. 38, *Certain Financial Statement Disclosures*. The District's significant accounting policies are described below.

### **a. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicant who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

### **b. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expense are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are recognized as revenue in the fiscal year for which taxes have been levied, provided they are collected and certified by the county auditor by the fiscal year-end. Additionally, taxes collected within 60 days after fiscal year-end are recorded as a receivable with an offset to deferred revenue for amounts not collected and available for advance on June 30<sup>th</sup> by the county auditor. Tuition, grants, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major funds:

*General Fund*, a governmental fund. The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

*Debt Service Fund*, a governmental fund. The *debt service fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The District's nonmajor governmental funds include the following fund types:

*Special Revenue Funds*, governmental funds that are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specified purposes.

*Capital Projects Funds*, governmental funds that are used to account for financial resources to be used for the acquisition and/or construction of major capital facilities (other than those financed by enterprise funds).

The District's nonmajor proprietary funds include the following fund types:

*Enterprise fund* – Food Service Fund, which is used to account for the District's food services operations.

*Internal service funds* are used to account for the financing of goods or services provided by one department or agency to other departments or, agencies of the District generally on a cost-reimbursement basis. The District has two such funds, a Self-Insurance Fund and a Copy Center Fund.

Additionally, the District reports *Fiduciary Funds*. Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds, a type of fiduciary fund, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has one Private Purpose Trust fund as well as two Agency funds.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to the same limitation. The District has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expense from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Food service sales are the principal operating revenues of the District's enterprise funds. Charges for services (or charges for employee benefit costs) are the principal operating revenues for the District's internal service funds. Operating expenses for the enterprise fund and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**c. Cash and Investments**

Monies received by the District are pooled in a central bank account with individual fund balance integrity retained throughout. In 1998, the District adopted GASB Statement No. 31 (GASB 31), *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments, except certificates of deposits and repurchase agreements, which are reported at cost, are at fair value.

**d. Inventory**

Inventories are presented at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and inventories are determined by physical count.

**e. Capital Assets and Depreciation**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by proprietary funds are reported on both statement types.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$1,000 and a useful life of less than one year. The District does not possess any infrastructure.



**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

All reported capital assets, with the exception of land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings & Improvements	<b>10-30</b>
Furniture and Equipment	<b>3-15</b>
Vehicles	<b>5-10</b>

**f. Interfund Activity**

Transfers between governmental and business-type activities on the entity-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

On fund financial statements, short-term interfund loans are classified as due to/from other fund. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities, which are presented as internal balances.

**g. Compensated Absences**

The District has implemented the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and state laws.

The compensated absence liability is reported on the entity-wide financial statements. For proprietary funds, the entire amount of compensated absences is recorded as an expense and liability of the fund.

**h. Accrued Liabilities and Long-term Debt**

All accrued liabilities and long-term debt is reported in the entity-wide financial statements as well as the proprietary fund financial statements. For governmental fund financial statements, these accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims for judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. Long-term debts paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

**i. Fund Balance Reserves / Restrictions**

The District records reservations for portions of fund equity, which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriation for expenditures. Fund equity reserves have been established for encumbrances, inventory, prepaid assets, and property tax revenue reserved by the Board for future year's appropriations.

The District complies with all restrictions governing the use of restricted assets. Such restrictions do not offer discretion regarding use of these resources in an unrestricted manner. When capital restricted funds, usually bond proceeds, are available, capital assets are acquired from such resources. Capital assets can be, however, and to a lesser amount are, acquired from unrestricted resources.

**j. Statement of Cash Flows**

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents. In addition, all cash and investments of the cash management pool are also considered to be cash equivalents, since they are available to the proprietary funds on demand.

**k. Management Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

**3. Cash and Investments**

**a. Cash**

The investment and deposit of the District's monies is governed by the provisions of the ORC. In accordance with these statutes, the District is authorized to invest in United States and State of Ohio bonds, notes, and other obligations; bank certificates of deposit; banker acceptances; commercial paper notes rated prime and issued by United States corporations; repurchase agreements secured by United States obligations; and STAROhio. During fiscal year 2005, investments were limited to STAROhio, repurchase agreements, CDs, and federal agency securities. Earnings on investments are credited to the General Fund except earnings specifically related to the Capital Projects Fund, Enterprise Fund, and the Private Purpose Trust fund which is in compliance with ORC Section 3315.01. In fiscal 2005 investment income of \$771,016 was recorded in the Governmental funds. Also, \$7,787 was moved from the General Fund to the Food Service Fund.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a7 of the Investment Company Act of 1940.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2005.

According to state law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the District's name. During 2005, the District and public depositories complied with the provisions of these statutes.

**b. Deposits with Financial Institutions**

At June 30, 2005, the carrying amount of all District deposits was \$ 22,343,005, exclusive of the \$6,248,111 repurchase agreement and \$1,185,000 in negotiable certificates of deposits which are included in investments below. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of June 30, 2005, \$ 21,627,872 of the District's bank balance of \$22,520,872 was exposed to custodial risk as discussed below, while \$893,000 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

**c. Investments**

As of June 30, 2005, the District had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities				
		6 Months or Less	7 to 12 months	13 to 18 months	19 to 24 months	25 to 30 months
Repurchase Agreement	\$6,248,111	\$6,248,111	\$0	\$0	\$0	\$0
STAR Ohio	3,651,656	3,651,656	0	0	0	0
FHLMC DN	3,945,400	3,945,400	0	0	0	0
FNMA DN	1,978,000	1,978,000	0	0	0	0
FHLB	800,000	0	0	800,000	0	0
FHLMC	500,000	0	0	0	500,000	0
FNMA	1,888,268	900,000	0	988,268	0	0
Negotiable Certificates of Deposit	1,185,000	494,000	0	593,000	0	98,000
	<b>\$20,196,435</b>	<b>\$17,217,167</b>	<b>\$0</b>	<b>\$2,381,268</b>	<b>\$500,000</b>	<b>\$98,000</b>

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk.* The District's investments, except for the repurchase agreement as discussed above and STAROhio, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAROhio an AAAM money market rating.

*Concentration of Credit Risk.* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage to total of each investment type held by the District at June 30, 2005:

<b>Investment Type</b>	<b>Fair Value</b>	<b>% to total</b>
Repurchase Agreement	\$6,248,111	30.94%
STAR Ohio	3,651,656	18.08%
FHLMC DN	3,945,400	19.54%
FNMA DN	1,978,000	9.79%
FHLB	800,000	3.96%
FHLMC	500,000	2.48%
FNMA	1,888,268	9.35%
Negotiable Certificates of Deposit	1,185,000	5.86%
	<b>\$20,196,435</b>	<b>100.00%</b>

*Custodial Risk.* For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments. The District is not the issuer of the negotiable certificates of deposit, therefore, these certificates of deposit are not insured.

#### **4. Property Taxes**

Property taxes are levied and assessed on a calendar-year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year, except monies available to be advanced against such distributions which may be appropriated and used in the current fiscal year. Property taxes include amounts levied against all real, public and tangible (i.e., used in business) property located in the District.

Real property taxes and public utility taxes are levied after April against the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised value.

Public utility property taxes are assessed on tangible personal property as well as land and improvements. Real property is assessed at market value and personal property is assessed at true value (normally 50% of cost).

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

Tangible personal property taxes attach as a lien and are levied January 1 of the current year. Tangible personal property assessments are 25% of true value. The assessed values for collection in 2005, upon which the 2004 levies were based, were as follows:

Agricultural/Residential Real Estate	\$ 1,087,563,880
Commercial/Industrial Real Estate	443,948,900
Public Utility Real Estate	117,190
Public Utility Tangible	54,413,770
General Tangible Property	180,456,129
Total	<u>\$ 1,766,499,869</u>

Real property taxes are payable annually or semiannually. If paid annually, the payment is due January 30; if paid semiannually, the payment is due January 30 with the remainder payable by June 30.

The Franklin County Treasurer collects property taxes on behalf of the District. The County Auditor periodically remits to the District its portion of the taxes collected.

Accrued property taxes receivables represent real property, personal property and public utility taxes which were measurable but not available as of June 30, 2005. However, monies legally available as an advance to the District as of June 30, 2005 are recognized as revenue as they are both measurable and available. The property tax amount recognized as revenue, is reflected as a reservation of fund balance (reserve for future appropriations) as the District is prohibited by law from appropriating this amount in accordance with Ohio Revised Code Section 5705.35.

**5. Receivables**

Receivables at June 30, 2005 consisted of taxes, and other accounts. Taxes receivable include current and delinquent taxes receivable. A summary of the principal items of receivables follows:

Governmental Activities:	General Fund	Debt Service Fund	Non Major Governmental Funds	Total
Taxes current	\$ 49,276,153	5,568,862	-	54,845,015
Taxes delinquent	5,408,847	421,138	-	5,829,985
Other	144,649	-	31,008	175,657
Total	<u>\$ 54,829,649</u>	<u>5,990,000</u>	<u>31,008</u>	<u>60,850,657</u>

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

**6. Due From Other Governments**

Intergovernmental receivables at June 30, 2005 consist of the following:

Governmental Activities:	Other Governmental Funds
Federal	\$ 742,184
State	68,307
Total	\$ 810,491

**7. Interfund Receivables and Payables / Transfers**

Interfund balances at June 30, 2005 consist of the following individual fund receivables and payables on the fund basis:

	Receivable	Payable
Governmental Activities:		
General Fund	\$ -	\$ 7,787
Business Type Activities:		
Food Service	\$ 7,787	\$ -

The payable and receivable at June 30, 2005 is for unallocated interest income.

Transfers during fiscal 2005 were as follows:

	Transfer-In	Transfer-Out
Governmental Activities:		
General Fund	\$ -	\$ 658,925
Debt Service Fund	\$ 658,925	\$ -

The transfer was to fund debt service payments.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

**8. Capital Assets**

A summary of capital asset activity for the fiscal year follows:

	Balance June 30, 2004	Additions	Disposals	Balance June 30, 2005
Capital assets used in:				
<b>Governmental activities</b>				
Nondepreciable capital assets-				
Land	\$ 10,344,358	-	40,988	10,303,370
Total nondepreciable capital assets	<u>10,344,358</u>	<u>-</u>	<u>40,988</u>	<u>10,303,370</u>
Depreciable capital assets:				
Building and improvements	102,221,640	64,527	-	102,286,167
Furniture, fixtures and equipment	13,303,951	1,180,109	-	14,484,060
Buses, autos and trucks	4,613,263	22,746	-	4,636,009
Total depreciable capital assets	<u>120,138,854</u>	<u>1,267,382</u>	<u>-</u>	<u>121,406,236</u>
Accumulated depreciation:				
Building and improvements	43,536,726	3,257,487	-	46,794,213
Furniture, fixtures and equipment	11,228,122	532,675	-	11,760,797
Buses, autos and trucks	2,815,433	253,868	-	3,069,301
Total accumulated depreciation	<u>57,580,281</u>	<u>4,044,030</u>	<u>-</u>	<u>61,624,311</u>
Total depreciable capital assets, net	<u>62,558,573</u>	<u>(2,776,648)</u>	<u>-</u>	<u>59,781,925</u>
Total governmental activities capital assets, net	<u>\$ 72,902,931</u>	<u>(2,776,648)</u>	<u>40,988</u>	<u>70,085,295</u>

A summary of Business – Type Capital Assets at June 30, 2005 follows:

	Balance June 30, 2004	Additions	Disposals	Balance June 30, 2005
<u>Business-Type Activities</u>				
Furniture, fixtures and equipment	\$ 1,367,605	37,589	-	1,405,194
Less: Accumulated depreciation	859,155	57,293	-	916,448
Capital assets, net	<u>\$ 508,450</u>	<u>(19,704)</u>	<u>-</u>	<u>488,746</u>

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

Depreciation expense was charged to governmental functions as follows:

Instructional services:		
Regular		\$ 3,618,973
Special		3,898
Continuing		558
Support services:		
Operation and maintenance of plant		102,574
School administration		11,480
Pupils		1,909
Business operations		27,189
Instructional staff		6,611
Student transportation		180,001
Central services		73,644
General administration		159
Co-curricular student services		15,436
Community services		1,598
Total depreciation		\$ 4,044,030

## 9. General Long-Term Obligations

As of June 30, 2005, the District had five general obligation bond issues, two general obligation long-term note issues and one certificate of participation financing issue outstanding. All debt except for the tax anticipation notes was issued for general government activities, specifically, the construction and renovation of school buildings and an administrative facility. The tax anticipation notes were for borrowings against future revenues. General obligations currently outstanding are:

Purpose	Date Issued	Interest Rate (1)	Final Maturity	Original Amount	Balance at June 30, 2005
Improvement of elementary and middle school	6/1/1986	7.590%	12/1/2009	\$ 10,500,000	\$ 2,275,000
1992 Refunding issue	5/15/1992	6.294%	12/1/2012	42,036,234	2,546,459
2002 Current refunding issue	3/2/2002	6.000%	12/1/2012	24,740,000	24,740,000
School Facility Improvement	12/15/1993	4.707%	12/1/2006	7,208,375	1,455,000
Permanent Improvement and refunding issue	2/1/1998	4.645%	12/1/2013	18,594,790	(1) 8,353,794
Energy Conservation notes	3/2/1999	4.200%	12/1/2013	2,800,000	1,880,000
Administrative Facilities Project					
Certificates of Participation	3/30/2000	5.393%	12/1/2019	6,545,000	6,130,000
2004 Tax Anticipation note	4/15/2004	2.420%	4/15/2007	650,000	650,000
					\$ 48,030,253

(1) The general obligation bonds issued on 2/1/98 consisted of \$13,900,000 for repairs, upgrades and renovations of the District's building and facilities and \$4,694,790 for the advance refunding of \$1,000,000 of general obligation bonds dated 7/1/87, \$1,600,000 of general obligation bonds dated 3/1/88 and \$2,095,000 of general obligation bonds dated 3/1/89. All of the in substance defeased debt remained outstanding with the escrow agent.



**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

A summary of the governmental activities changes in long-term liabilities follows:

	Balance June 30, 2004	Additions/ Accretion	Reductions	Balance June 30, 2005	Amounts Due in One Year
Accrued liabilities (accrued vacation and sick leave)	6,801,922	1,632,057	782,220	7,651,759	879,552
Cetificates of Participation	6,235,000	-	105,000	6,130,000	115,000
General obligation bonds payable	45,741,420	797,087	7,168,254	39,370,253	2,795,891
General obligation notes payable	2,700,000	-	170,000	2,530,000	325,000
	<u>\$ 61,478,342</u>	<u>2,429,144</u>	<u>8,225,474</u>	<u>55,682,012</u>	<u>4,115,443</u>

Business Type activities changes in long-term liabilities are as follows:

	Balance June 30, 2004	Additions	Reductions	Balance June 30, 2005	Amounts Due in One Year
Accrued liabilities (accrued vacation and sick leave)	149,562	38,917	17,128	171,351	29,620

On March 30, 2000, the District issued \$6,545,000 of Certificates of Participation (COPs). The COPs represent proportionate interests of the registered owners thereof in certain rental payments to be paid by the District as rental for new administrative facilities at 200 East Wilson Bridge Road (the Project Site). Pursuant to ORC Section 3313.375, the District has leased certain real property comprised of the Project Site to the Worthington Education Foundation (the Foundation) and sub-leased such Project Site back from the Foundation. In addition, the District has agreed to act as agent for the Foundation in connection with the acquisition, renovation, improvement, equipping and furnishing the Project Site. Pursuant to a Trust Indenture between the Foundation and Huntington National Bank (the Trustee), the Trustee agreed to execute and deliver the COPs to the registered owners, each evidencing a proportionate interest in the rental payments to be paid by the District, in the aggregate principal amount of \$6,545,000. The proceeds of the COPs were to assist in the financing of the administrative facility project.

The general obligation notes and bonds are a direct obligation of the District for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the school district. In the opinion of management, the District has complied with all bond covenants.

The annual maturities of the general obligation bonds, notes and COPS, as of June 30, 2005, and related interest payments are as follows:

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

Year ending June 30,	Interest rates	Principal	Interest
2006	2.420-12.200%	\$ 3,235,891	\$ 6,144,272
2007	2.420-12.200%	4,625,621	4,314,970
2008	2.420-12.200%	5,540,000	2,093,204
2009	4.200-5.700%	5,835,000	1,771,888
2010	4.200-5.700%	6,155,000	1,427,319
2011-2015	4.200-5.700%	16,835,248	2,659,809
2016-2020	4.200-5.700%	3,310,000	527,601
Total		<u>\$ 45,536,760</u>	<u>\$ 18,939,063</u>

The ORC provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The ORC further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2005 are a voted debt margin of \$120,878,228 and an unvoted debt margin of \$1,116,500. The aggregate amount of the District's unvoted debt is also subject to overlapping debt restrictions with Franklin County and the City of Worthington. As of June 30, 2005, these entities have complied with the requirement that unvoted overlapping debt must not exceed 1% (10 mills) of the assessed property value. These debt limitation calculations exclude \$2,493,493 in accretion of deep discount debt and the aforementioned COPS in accordance with State Law. Management believes that the District has complied with all bond covenants.

**10. Self-Insurance Fund and Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees and natural disasters. The District contracts with third party insurance carriers for property insurance (including boiler and machinery) and general liability insurance.

Professional liability is protected by a \$1,000,000 single occurrence limit, \$2,000,000 aggregate limit with no deductible. Vehicles are also covered and have \$250 deductible for comprehensive and a \$500 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability.

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The District provides life insurance and accidental death and dismemberment insurance to most in an amount related to the employee's position, ranging from \$10,000 to \$350,000.

Claims experience over the past three years indicates that there were no instances of losses exceeding insurance coverage.

The District provides employee medical/surgical benefits through a premium insurance plan. The District maintains an insurance internal service fund to account for and finance its risks in this program. The District pays into the Employee Benefit Insurance Internal Service Fund at various rates based on the coverage selected by the employee. Employee monthly

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

contributions, as determined by negotiated agreements with the certificated and noncertificated staff bargaining units, are also paid into the Employee Benefit Insurance Fund. The premium is paid by the fund that pays the salary for the employee and is based on historical cost information.

Dental coverage is also provided. Monthly premiums for this coverage are \$88 per employee as of June 30, 2005, for both single and family coverage. Additionally, the District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the master contracts with the certificated and noncertificated staff bargaining units. The District pays the premium amounts for covered employees into the Employee Benefit Insurance Internal Service Fund. The premium is paid by the fund that pays the salary for the employee.

Effective October 1, 2001 the District switched its medical plan from the self insurance plan to a premium based plan. The Dental Plan remains a self insured plan.

A claims liability of approximately \$140,000 at June 30, 2005, in the internal service fund reflects an estimate of incurred but unpaid claims liability. This liability was determined in accordance with actuarially acceptable reserving standards and was certified by an accredited actuary, as required by state statute. A summary of the changes in insurance claims liability for the years ended June 30, 2005, 2004, and 2003, follows:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Claims liability at beginning of year	\$ 120,000	\$ 120,000	\$ 220,672
Incurred claims	697,131	452,541	978,404
Paid claims	<u>(677,131)</u>	<u>(452,541)</u>	<u>(1,079,076)</u>
Claims liability at end of year	<u>\$ 140,000</u>	<u>120,000</u>	<u>120,000</u>

**11. Defined Benefit Pension Plans**

State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (614) 227-4090, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2005, 2004, and 2003, were \$7,313,000, \$7,625,000, and \$7,320,000, respectively; equal to 100% of the required contribution each year.

***B. School Employees Retirement System***

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003, were \$2,176,000, \$2,151,000, and \$1,975,000, respectively, equal to 100% of the required contribution for each year.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2005, all members of the Board of Education elected Social Security. The Board's liability is 6.2 percent of wages paid.

**12. Postemployment Benefits Other Than Pension Benefits**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$30,700 for fiscal year 2005.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2003, (the latest information available) the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS Ohio were \$268,739,000 and STRS Ohio had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. The premiums may be reduced for retirees whose household income falls below the poverty level.

After the allocation for basic benefits, the remainder of the employers 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay was established at \$27,400. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits during the 2005 fiscal year equaled \$65,500.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

expenses. Expenses for health care for the fiscal year ended June 30, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

**13. Contingencies**

**a. Grants**

The federal and state grants remain subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the District's administration believes such disallowances, if any, would be minimal.

**b. Litigation**

The District is a defendant in various lawsuits. The outcome and possible impact of these lawsuits is not presently determinable.

**14. Set-Asides**

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. The District was also required to set aside money for budget stabilization. The requirement for this set aside changed as result of the passage of Senate Bill 345.

The following information describes the change in year end set-aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

	Textbooks	Capital Acquisitions
Set-aside Cash Balance carried forward at July 1, 2004	\$ -	-
Current year set-aside requirements	1,412,264	1,412,264
Qualifying disbursements	(1,625,150)	(1,478,622)
Total	(212,886)	(66,358)
Set-aside Cash Balance at June 30, 2005	\$ -	-

The District had disbursements during the year that reduced the set-aside amounts below zero. For the Textbook set-aside this amount may be used to reduce the set-aside requirements in future years, however, the District has not elected to do so.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2005

**15. Fund Deficits / Accountability**

The following fund had fund deficit fund balances as of June 30, 2005:

		Fund Balance
Special Revenue Fund- Bilingual Education Grant	\$	2,583

The deficit fund balance is the result of the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit fund balances, however, this is done when cash is needed rather than when accruals occur.

**16. Restatement**

The District in accordance with GASB Technical Bulletin No. 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers*, issued in December 2004, restated its obligation for contractually obligated pension liability at the beginning of the year. The restatement requires such obligation to be recorded as a fund liability as well as a liability at the entity-wide level, as previously recorded.

Additionally, a \$650,000 tax anticipation note recorded only on the entity –wide statements in prior year has been presented as a fund liabilities as well as and entity–wide liability. As such the General Fund and Non-major Other Governmental funds are restated as follows:

	General Fund	Other Governmental Funds
Fund Balance, as previously reported	\$13,211,334	5,258,988
Accrued liabilities- Pension obligation	(815,591)	(43,694)
Tax anticipation note payable	(650,000)	-
Fund Balance, as restated	\$11,745,743	\$5,215,294

**17. Subsequent Event**

On September 12, 2005 the Board enter into a loan arrangement with the Columbus Regional Airport Authority in the amount of \$2.5 million for the purpose of constructing and installing certain energy conservation measures to existing school buildings and facilities.

# WORTHINGTON CITY SCHOOL DISTRICT

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# **REQUIRED SUPPLEMENTARY INFORMATION**

**WORTHINGTON CITY SCHOOL DISTRICT**

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WORTHINGTON CITY SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2005

	GENERAL FUND			VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	
<b>REVENUES:</b>				
Property taxes	\$ 74,367,864	76,917,212	80,330,201	3,412,989
Investment income	630,000	637,395	693,949	56,554
Tuition fees	750,000	789,815	747,456	(42,359)
Miscellaneous	736,272	629,524	628,321	(1,203)
State sources	24,229,456	28,093,837	24,436,727	(3,657,110)
<b>TOTAL REVENUES</b>	<b>100,713,592</b>	<b>107,067,783</b>	<b>106,836,654</b>	<b>(231,129)</b>
<b>EXPENDITURES:</b>				
<b>Instructional services:</b>				
Salaries	44,676,370	44,676,370	44,077,705	598,665
Benefits	14,191,043	14,191,043	14,171,492	19,551
Purchased services	3,024,372	3,247,812	3,236,004	11,808
Supplies and materials	1,445,182	1,145,182	1,139,292	5,890
Capital outlay	296,039	587,039	583,414	3,625
Other	6,225	6,225	5,550	675
<b>TOTAL INSTRUCTIONAL SERVICES</b>	<b>63,639,231</b>	<b>63,853,671</b>	<b>63,213,457</b>	<b>640,214</b>
<b>Support services:</b>				
Salaries	21,156,880	21,156,880	20,665,685	491,195
Benefits	8,557,181	8,557,181	8,474,864	82,317
Purchased services	6,192,586	6,125,086	5,715,644	409,442
Supplies and materials	2,103,976	2,103,976	1,860,573	243,403
Capital outlay	483,059	336,059	331,708	4,351
Other	1,727,375	1,727,375	1,705,751	21,624
<b>TOTAL SUPPORT SERVICES</b>	<b>40,221,057</b>	<b>40,006,557</b>	<b>38,754,225</b>	<b>1,252,332</b>
<b>Non-instructional services:</b>				
Purchased services	300	300	-	300
Supplies and materials	500	500	-	500
<b>TOTAL NON-INSTRUCTIONAL SERVICES</b>	<b>800</b>	<b>800</b>	<b>-</b>	<b>800</b>
<b>Co-curricular activities</b>				
Salaries	1,350,000	1,350,000	1,231,080	118,920
Benefits	375,000	375,000	359,484	15,516
Purchased services	30,500	30,500	16,456	14,044
Supplies and materials	2,724	2,724	2,241	483
<b>TOTAL CO-CURRICULAR ACTIVITIES</b>	<b>1,758,224</b>	<b>1,758,224</b>	<b>1,609,261</b>	<b>148,963</b>
<b>TOTAL EXPENDITURES</b>	<b>105,619,312</b>	<b>105,619,252</b>	<b>103,576,943</b>	<b>2,042,309</b>
Excess (deficiency) of revenues over expenditures	(4,905,720)	1,448,531	3,259,711	1,811,180
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(660,000)	(660,000)	(658,925)	1,075
Sale of assets	19,310	19,310	19,310	-
Refund of prior year expenditures (receipts)	5,000	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(635,690)</b>	<b>(640,690)</b>	<b>(639,615)</b>	<b>1,075</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(5,541,410)	807,841	2,620,096	1,812,255
Prior year encumbrances appropriated	2,981,493	2,981,493	2,981,493	-
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>19,728,304</b>	<b>19,728,304</b>	<b>19,728,304</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT) AT END OF YEAR</b>	<b>\$ 17,168,387</b>	<b>23,517,638</b>	<b>25,329,893</b>	<b>1,812,255</b>

# WORTHINGTON CITY SCHOOL DISTRICT

## Notes to the Required Supplementary Information

For the Year Ended June 30, 2005

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### ***NOTE A - BUDGETARY DATA***

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund, 1 level function, and 1 level object for the General Fund. All other Funds are budgeted at the at the fund level. Any budgetary modifications at this level must be made by resolution of the Board of Education.

#### **Tax Budget:**

Prior to January 15, the Superintendent and the Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Franklin County Budget Commission for rate determination.

#### **Estimated Resources:**

Prior to March 15, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year do not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final Amended Certificate issued during fiscal year 2005.

#### **Appropriations:**

Upon receipt from the County Auditor of an amended official certificate of estimated resources based on the final assessed values and tax rates or a certificate stating no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, 1 level function, and 1 level object for General Fund expenditures, and at the fund level for all other funds, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Required Supplementary Information, Continued

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amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations.

Formal budgetary integration is employed as a management control device during the year for all funds, including the Debt Service Fund, consistent with statutory provisions.

**Encumbrances:**

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the Non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year-end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

**Lapsing of Appropriations:**

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

***NOTE B - RECONCILING BUDGET BASIS AND GAAP***

The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual column presented on the Budgetary Comparison Schedule – General Fund is prepared in accordance with the budget basis of accounting.

The major differences between the budgetary basis of accounting and GAAP are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- B. Expenditures are recorded when encumbered (budget basis) as opposed to when the liability is incurred (GAAP basis);
- C. Encumbrances are recorded as the equivalent of expenditures (budget basis) as opposed to a reservation of fund balance (GAAP basis); and
- D. Investments are recorded at cost (budget basis) as opposed to fair value (GAAP basis).

A reconciliation of the General Fund results of operations at the end of the year on the GAAP basis to the budget basis follows:

Excess of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$ 6,218,568
--	--------------

**Adjustments**

Due to revenues	331,077
Due to expenditures	(3,929,549)

Excess of revenues and other financing sources over expenditures and other financing uses (Budget Basis)	\$ 2,620,096
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**WORTHINGTON CITY SCHOOL DISTRICT**

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**WORTHINGTON CITY SCHOOL DISTRICT**

**SUPPLEMENTAL  
DATA**



Worthington Schools . . . Where Excellence Is A Tradition





## WORTHINGTON CITY SCHOOL DISTRICT

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### MAJOR GOVERNMENTAL FUNDS

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#### **General Fund**

The **General Fund** is the general operating fund of the District. It is used to account for financial resources except those required to be accounted for in another fund. A budget comparison schedule has been included in the Required Supplementary Information section of this report.

#### **Debt Service Fund**

The **Bond Retirement Fund** is a debt service fund used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2005

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget: positive (negative)
	Original	Final		
<b>Debt Service Fund</b>				
Total Revenues and Other Sources	\$7,000,000	\$10,164,400	\$10,164,400	\$0
Total Expenditures and Other Uses	9,000,000	9,888,519	9,762,858	125,661
Net Change in Fund Balance	(2,000,000)	275,881	401,542	125,661
Fund Balance, July 1	4,227,821	4,227,821	4,227,821	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$2,227,821</u>	<u>\$4,503,702</u>	<u>\$4,629,363</u>	<u>\$125,661</u>

## NON-MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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**Public School Support** - A fund used for the proceeds of specific revenue sources, except for State and Federal grants that are legally restricted to expenditures for specified purposes.

**Grants - Local Sources** - A fund provided to account for specific local revenue sources, other than taxes (i.e., profits from vending machines sales of pictures, etc.), that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

**Other Local Sources** - A rotary fund provided to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the District. Profit derived from such sale is to be used for school purposes or activities in connection with the school.

**District-Managed Student Activities** - A fund provided to account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

**Auxiliary Services Fund** - A fund used to account for monies which provide services and materials to pupils attending non-public schools within the school district. For generally accepted accounting purposes, this fund is accounted for as a special revenue fund.

**Uniform School Supplies** - A rotary fund provided to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the District. Profit derived from such sale is to be used for school purposes or activities in connection with the school.

**Special Rotary** - A rotary fund provided to account for the income and expenditures in connection with (1) supplemental education classes; (2) A special education preschool program (3) a life enrichment program; and (4) facility rentals.

**Career Development Grants** - A fund provided to account for money received and expended in conjunction with Vocational Education-Career Development projects funded by the State of Ohio, Department of Education, Division of Vocational Education (pass through Upper Arlington City School District).

**Entry Year Grants** - A fund to account for funds used to implement entry year programs pursuant to division (T) of section 3317.024 of the Ohio Revised Code.

**EMIS Grant** - A fund provided to account for the monies received and expended for the implementation of the Educational Management Information System that was required by recent legislation in Ohio.

**Data Communications Support** – A fund provided to account for money appropriated from the State of Ohio for Ohio Educational Computer Network Connections.

**School Net Professional Development** – A fund provided to account for a limited number of professional development subsidy grants.

**Textbook Subsidy** - A fund provided to account for moneys received from the state for textbooks, instructional software, instructional materials, and any other materials the district deems to be helpful in providing appropriate instruction to students in the following subject areas: reading, writing, mathematics, science and citizenship.

**Summer School Grant**– A fund provided to account monies received from the State for summer school.

**Alternative Education** – A fund to account for funds for intervention services satisfying criteria defined in section 3313.608 of the Ohio Revised Code.

**Ohio Reads Grant** – A fund intended to improve reading outcomes, especially for fourth grade reading proficiency test and for volunteer coordinators and costs associated with volunteer coordination.

**Other State Grants** – A fund used to account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

**JTPA GRANTS** – A fund used to account for the Job Training Partnership Act grant received through the Private Industry Council of Franklin County (a not-for-profit organization) to employ job coaches for handicapped children.

**Special Education Part B Idea Grants** - A fund provided to account for grants used to assist states in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

**Vocational Education Grants** - A fund provided to account for amounts received and expended for vocational education, primarily those passed through the State of Ohio Department of Education related to the Carl D. Perkins Vocational and Applied Technology Act of 1990.

**Title III Immigrant/LEP** - A fund provided to account for the Foreign Language Grant program at the elementary schools, which is funded with U.S. Department of Education grant monies.

**Title I Grants** - A fund which accounts for federal funds used to meet the special needs of educationally deprived children.

**TITLE V Grants** - A fund to consolidate various programs into a single authorization of grants to States to be used in accordance with the educational needs and priorities of the state and local agencies.

**Title IV** - A fund which accounts for federal funds used to establish, operate, and improve local programs of drug abuse prevention, early intervention, rehabilitation referral, and education in the District.

**Refugee Children Grant**- A fund to provide for federal funds used to provide supplemental education services to refugee students

**Education of the Handicapped Preschool Grants** - A fund to address the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

**Telecommunications Act Grant Fund (E-Rate)** – A fund used to account for a federal grant which is paid directly to the telecommunication service provider.

**Other Miscellaneous Federal Grants** – A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant and be approved by the Auditor of State.

**Non-Major  
Capital Projects Funds**

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Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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**Building Fund** - A fund used to account for the revenues and expenditures related to all special bond funds in the District. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs for acquiring capital facilities including real property.

**Permanent Improvement Fund** - A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as authorized by Section 5705 of the Ohio Revised Code.

**School Net Plus** - A fund used to provide for computer hardware and software in K-4 classrooms in the district.

**WORTHINGTON CITY SCHOOL DISTRICT**

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**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2005**

**SPECIAL REVENUE FUNDS**

	<u>PUBLIC SCHOOL SUPPORT</u>	<u>GRANTS - LOCAL SOURCES</u>	<u>OTHER LOCAL SOURCES</u>	<u>DISTRICT-MANAGED STUDENT ACTIVITIES</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 579,572	8,683	69,917	361,520
Receivables, net	-	-	-	-
Due from other- Governments	-	-	-	-
Total assets	<u>579,572</u>	<u>8,683</u>	<u>69,917</u>	<u>361,520</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	15,162	-	250	21,221
Due to other- Governments	-	-	-	5,107
Unearned income	-	-	-	-
Accrued liabilities	-	-	-	7,421
Total liabilities	<u>15,162</u>	<u>-</u>	<u>250</u>	<u>33,749</u>
<b>Fund balances:</b>				
Reserve for encumbrances	3,276	30	-	19,607
Unreserved	<u>561,134</u>	<u>8,653</u>	<u>69,667</u>	<u>308,164</u>
Total fund balances	<u>564,410</u>	<u>8,683</u>	<u>69,667</u>	<u>327,771</u>
Total liabilities and fund balances	<u>\$ 579,572</u>	<u>8,683</u>	<u>69,917</u>	<u>361,520</u>



WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

AUXILIARY SERVICES	UNIFORM SCHOOL SUPPLIES	SPECIAL ROTARY	CAREER DEVELOPMENT GRANTS	ENTRY YEAR GRANTS	EMIS GRANTS
126,404	475,724	552,546	22,727	4,400	56,063
-	-	4,375	-	-	-
-	-	-	-	-	-
<u>126,404</u>	<u>475,724</u>	<u>556,921</u>	<u>22,727</u>	<u>4,400</u>	<u>56,063</u>
21,450	15,258	2,860	-	-	3,600
10,556	-	-	-	-	-
-	-	-	-	-	-
60,587	-	-	-	-	-
<u>92,593</u>	<u>15,258</u>	<u>2,860</u>	<u>-</u>	<u>-</u>	<u>3,600</u>
-	35,354	23,339	-	-	-
<u>33,811</u>	<u>425,112</u>	<u>530,722</u>	<u>22,727</u>	<u>4,400</u>	<u>52,463</u>
<u>33,811</u>	<u>460,466</u>	<u>554,061</u>	<u>22,727</u>	<u>4,400</u>	<u>52,463</u>
<u>126,404</u>	<u>475,724</u>	<u>556,921</u>	<u>22,727</u>	<u>4,400</u>	<u>56,063</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS, Continued**  
**JUNE 30, 2005**

**SPECIAL REVENUE FUNDS**

	DATA COMMUNICATIONS SUPPORT	SCHOOLNET PROFESSIONAL DEVELOPMENT	TEXTBOOK/ INSTRUCTIONAL MATERIALS SUBSIDY	SUMMER SCHOOL GRANT
<b><u>ASSETS</u></b>				
Cash and investments	\$ 45,960	6,885	-	16,575
Receivables, net	-	-	-	-
Due from other- Governments	-	-	-	60,590
Total assets	<u>45,960</u>	<u>6,885</u>	<u>-</u>	<u>77,165</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	-	-	-	2,496
Due to other- Governments	-	-	-	-
Unearned income	-	-	-	33,786
Accrued liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,282</u>
<b>Fund balances:</b>				
Reserve for encumbrances	-	-	-	14,078
Unreserved	<u>45,960</u>	<u>6,885</u>	<u>-</u>	<u>26,805</u>
Total fund balances	<u>45,960</u>	<u>6,885</u>	<u>-</u>	<u>40,883</u>
Total liabilities and fund balances	<u>\$ 45,960</u>	<u>6,885</u>	<u>-</u>	<u>77,165</u>

WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

ALTERNATIVE EDUCATION	OHIO READS GRANT	OTHER STATE GRANTS	JTPA GRANTS
-	3,266	12,816	6
26,633	-	-	-
-	7,718	-	-
<u>26,633</u>	<u>10,984</u>	<u>12,816</u>	<u>6</u>
-	-	300	-
2,524	-	787	-
-	7,718	-	-
15,542	-	-	-
<u>18,066</u>	<u>7,718</u>	<u>1,087</u>	<u>-</u>
-	-	1,343	-
<u>8,567</u>	<u>3,266</u>	<u>10,386</u>	<u>6</u>
8,567	3,266	11,729	6
<u>26,633</u>	<u>10,984</u>	<u>12,816</u>	<u>6</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS, Continued**  
**JUNE 30, 2005**

	SPECIAL REVENUE FUNDS			
	SPECIAL EDUCATION PART B IDEA GRANTS	VOCATIONAL EDUCATION GRANTS	TITLE III IMMIGRANT/LEP GRANTS	TITLE I GRANTS
<b>ASSETS</b>				
Cash and investments	\$ 9,251	140,738	4,970	8,959
Receivables, net	-	-	-	-
Due from other- Governments	398,172	-	33,741	42,750
Total assets	<u>407,423</u>	<u>140,738</u>	<u>38,711</u>	<u>51,709</u>
<b>LIABILITIES</b>				
Accounts payable	277	558	-	-
Due to other- Governments	50,879	-	5,908	6,268
Unearned income	182,691	-	21,993	2,167
Accrued liabilities	163,301	-	13,393	39,752
Total liabilities	<u>397,148</u>	<u>558</u>	<u>41,294</u>	<u>48,187</u>
<b>Fund balances:</b>				
Reserve for encumbrances	3,290	343	2,089	-
Unreserved	<u>6,985</u>	<u>139,837</u>	<u>(4,672)</u>	<u>3,522</u>
Total fund balances	10,275	140,180	(2,583)	3,522
Total liabilities and fund balances	<u>\$ 407,423</u>	<u>140,738</u>	<u>38,711</u>	<u>51,709</u>

WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

TITLE V GRANTS	TITLE IV GRANTS	REFUGEE CHILDREN GRANT
10,155	1,426	2,264
-	-	-
66,191	6,974	-
<u>76,346</u>	<u>8,400</u>	<u>2,264</u>
50	-	-
-	-	-
66,191	111	-
-	-	-
<u>66,241</u>	<u>111</u>	<u>-</u>
-	-	-
10,105	8,289	2,264
10,105	8,289	2,264
<u>76,346</u>	<u>8,400</u>	<u>2,264</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS, Continued**  
**JUNE 30, 2005**

	SPECIAL REVENUE FUNDS			TOTAL NONMAJOR SPECIAL REVENUE FUNDS
	EDUCATION OF THE HANDICAPPED PRESCHOOL GRANTS	TELECOMMUNICATIONS ACT GRANT	OTHER MISCELLANEOUS FEDERAL GRANTS	
<b><u>ASSETS</u></b>				
Cash and investments	\$ 710	170,199	4,967	2,696,703
Receivables, net	-	-	-	31,008
Due from other- Governments	12,337	-	182,018	810,491
Total assets	<u>13,047</u>	<u>170,199</u>	<u>186,985</u>	<u>3,538,202</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	-	-	56	83,538
Due to other- Governments	606	-	5,625	88,260
Unearned income	5,070	-	114,238	433,965
Accrued liabilities	3,729	-	35,773	339,498
Total liabilities	<u>9,405</u>	<u>-</u>	<u>155,692</u>	<u>945,261</u>
Fund balance:				
Reserve for encumbrances	-	-	37	102,786
Unreserved	3,642	170,199	31,256	2,490,155
Total fund balances	<u>3,642</u>	<u>170,199</u>	<u>31,293</u>	<u>2,592,941</u>
Total liabilities and fund balances	<u>\$ 13,047</u>	<u>170,199</u>	<u>186,985</u>	<u>3,538,202</u>

**WORTHINGTON CITY SCHOOL DISTRICT**

CAPITAL PROJECTS FUNDS			TOTAL NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
BUILDING FUND	PERMANENT IMPROVEMENTS	SCHOOL NET PLUS		
1,283,798	1,403,625	7	2,687,430	5,384,133
-	-	-	-	31,008
-	-	-	-	810,491
<u>1,283,798</u>	<u>1,403,625</u>	<u>7</u>	<u>2,687,430</u>	<u>6,225,632</u>
-	4,200	-	4,200	87,738
-	-	-	-	88,260
-	-	-	-	433,965
-	-	-	-	339,498
<u>-</u>	<u>4,200</u>	<u>-</u>	<u>4,200</u>	<u>949,461</u>
6,851	350,000	-	356,851	459,637
<u>1,276,947</u>	<u>1,049,425</u>	<u>7</u>	<u>2,326,379</u>	<u>4,816,534</u>
1,283,798	1,399,425	7	2,683,230	5,276,171
<u>1,283,798</u>	<u>1,403,625</u>	<u>7</u>	<u>2,687,430</u>	<u>6,225,632</u>

**WORTHINGTON CITY SCHOOL DISTRICT**  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2005

SPECIAL REVENUE FUNDS

	PUBLIC SCHOOL SUPPORT	GRANTS - LOCAL SOURCES	OTHER LOCAL SOURCES	DISTRICT-MANAGED STUDENT ACTIVITIES
<b>Revenues</b>				
Intergovernmental:				
Federal restricted grants-in-aid	\$ -	-	-	-
State restricted grants-in-aid	-	-	-	-
Investment income	-	-	1,266	-
Co-curricular activities	1,487	-	-	730,760
Class fees	-	-	-	-
Other	291,155	750	23,476	31,750
Total Revenues	<u>292,642</u>	<u>750</u>	<u>24,742</u>	<u>762,510</u>
<b>Expenditures</b>				
Current:				
Instructional services:				
Regular	154,904	3,243	-	-
Special	59,113	-	-	57
Vocational	-	-	-	-
Total Instructional Services	<u>214,017</u>	<u>3,243</u>	<u>-</u>	<u>57</u>
Support services:				
Operation and maintenance of plant	12,021	-	-	-
School administration	4,974	-	-	-
Pupil services	8,990	-	-	95,323
Instructional staff	14,207	-	-	-
Student transportation	-	-	-	-
Central services	-	-	-	-
Total Support Services	<u>40,192</u>	<u>-</u>	<u>-</u>	<u>95,323</u>
Co-curricular student activities	4,212	-	-	683,799
Community services	52	-	13,350	-
Capital outlay	-	-	-	-
Total Expenditures	<u>258,473</u>	<u>3,243</u>	<u>13,350</u>	<u>779,179</u>
Excess (deficiency) of revenues over expenditures	34,169	(2,493)	11,392	(16,669)
Other financing sources:				
Proceeds from sale of Capital Assets	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	34,169	(2,493)	11,392	(16,669)
Fund balance at beginning of year	530,241	11,176	58,275	344,440
Fund balance at end of year	<u>\$ 564,410</u>	<u>8,683</u>	<u>69,667</u>	<u>327,771</u>



WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

AUXILIARY SERVICES	UNIFORM SCHOOL SUPPLIES	SPECIAL ROTARY	CAREER DEVELOPMENT GRANTS	ENTRY YEAR GRANTS	EMIS GRANTS
-	-	-	-	-	-
742,110	-	-	8,100	26,400	30,186
-	-	-	-	-	-
-	-	-	-	-	-
-	426,665	84,894	-	-	-
-	-	170,287	-	-	-
<u>742,110</u>	<u>426,665</u>	<u>255,181</u>	<u>8,100</u>	<u>26,400</u>	<u>30,186</u>
-	300,831	-	-	22,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>300,831</u>	-	-	<u>22,000</u>	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	41,264
-	-	-	-	-	<u>41,264</u>
-	-	325,737	7,699	-	-
818,425	-	-	-	-	-
-	-	-	-	-	-
<u>818,425</u>	<u>300,831</u>	<u>325,737</u>	<u>7,699</u>	<u>22,000</u>	<u>41,264</u>
(76,315)	125,834	(70,556)	401	4,400	(11,078)
-	-	-	-	-	-
-	-	-	-	-	-
(76,315)	125,834	(70,556)	401	4,400	(11,078)
110,126	334,632	624,617	22,326	-	63,541
<u>33,811</u>	<u>460,466</u>	<u>554,061</u>	<u>22,727</u>	<u>4,400</u>	<u>52,463</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS, Continued  
 YEAR ENDED JUNE 30, 2005

	SPECIAL REVENUE FUNDS			
	DATA COMMUNICATIONS SUPPORT	SCHOOLNET PROFESSIONAL DEVELOPMENT	TEXTBOOK/ INSTRUCTIONAL MATERIALS SUBSIDY	SUMMER SCHOOL GRANT
<b>Revenues</b>				
Intergovernmental:				
Federal restricted grants-in-aid	\$ -	-	-	-
State restricted grants-in-aid	57,000	6,750	-	138,701
Investment income	-	-	-	-
Co-curricular activities	-	-	-	-
Class fees	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>57,000</u>	<u>6,750</u>	<u>-</u>	<u>138,701</u>
<b>Expenditures</b>				
Current:				
Instructional services:				
Regular	-	-	59	61,855
Special	-	-	-	-
Vocational	-	-	-	-
Total Instructional Services	<u>-</u>	<u>-</u>	<u>59</u>	<u>61,855</u>
Support services:				
Operation and maintenance of plant	-	-	-	-
School administration	-	-	-	-
Pupil services	-	-	-	-
Instructional staff	-	6,615	-	56,432
Student transportation	-	-	-	2,219
Central services	58,896	-	-	-
Total Support Services	<u>58,896</u>	<u>6,615</u>	<u>-</u>	<u>58,651</u>
Co-curricular student activities	-	-	-	-
Community services	-	-	-	4,715
Capital outlay	-	-	-	-
Total Expenditures	<u>58,896</u>	<u>6,615</u>	<u>59</u>	<u>125,221</u>
Excess (deficiency) of revenues over expenditures	(1,896)	135	(59)	13,480
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,896)	135	(59)	13,480
Fund balance at beginning of year	47,856	6,750	59	27,403
Fund balance at end of year	<u>\$ 45,960</u>	<u>6,885</u>	<u>-</u>	<u>40,883</u>

WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

ALTERNATIVE EDUCATION	OHIO READS GRANT	OTHER STATE GRANTS	JTPA GRANTS
-	-	-	-
137,609	26,782	89,317	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>137,609</u>	<u>26,782</u>	<u>89,317</u>	<u>-</u>
-	37,336	47,775	-
14,342	-	-	-
-	-	-	374
<u>14,342</u>	<u>37,336</u>	<u>47,775</u>	<u>374</u>
-	-	-	-
-	-	-	-
18,787	-	-	-
-	-	32,099	-
-	-	-	-
-	-	-	-
<u>18,787</u>	<u>-</u>	<u>32,099</u>	<u>-</u>
-	-	-	-
-	-	-	-
<u>33,129</u>	<u>37,336</u>	<u>79,874</u>	<u>374</u>
104,480	(10,554)	9,443	(374)
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
104,480	(10,554)	9,443	(374)
(95,913)	13,820	2,286	380
<u>8,567</u>	<u>3,266</u>	<u>11,729</u>	<u>6</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS, Continued  
 YEAR ENDED JUNE 30, 2005

**SPECIAL REVENUE FUNDS**

	SPECIAL EDUCATION PART B IDEA GRANTS	VOCATIONAL EDUCATION GRANTS	TITLE III IMMIGRANT/LEP GRANTS	TITLE I GRANTS
<b>Revenues</b>				
Intergovernmental:				
Federal restricted grants-in-aid	\$ 1,507,443	71,616	83,689	301,618
State restricted grants-in-aid	-	-	-	-
Investment income	-	-	-	-
Co-curricular activities	-	-	-	-
Class fees	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>1,507,443</u>	<u>71,616</u>	<u>83,689</u>	<u>301,618</u>
<b>Expenditures</b>				
Current:				
Instructional services:				
Regular	-	-	-	-
Special	830,655	-	53,173	286,815
Vocational	-	-	-	-
Total Instructional Services	<u>830,655</u>	<u>-</u>	<u>53,173</u>	<u>286,815</u>
Support services:				
Operation and maintenance of plant	-	-	-	-
School administration	59,022	-	1,893	9,688
Pupil services	14,546	10,466	-	-
Instructional staff	606,965	25,066	45,181	7,019
Student transportation	-	-	-	-
Central services	-	-	-	-
Total Support Services	<u>680,533</u>	<u>35,532</u>	<u>47,074</u>	<u>16,707</u>
Co-curricular student activities	-	-	-	-
Community services	58,833	-	705	2,603
Capital outlay	-	-	-	-
Total Expenditures	<u>1,570,021</u>	<u>35,532</u>	<u>100,952</u>	<u>306,125</u>
Excess (deficiency) of revenues over expenditures	(62,578)	36,084	(17,263)	(4,507)
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(62,578)	36,084	(17,263)	(4,507)
Fund balance at beginning of year	72,853	104,096	14,680	8,029
Fund balance at end of year	<u>\$ 10,275</u>	<u>140,180</u>	<u>(2,583)</u>	<u>3,522</u>

WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

TITLE V GRANTS	TITLE IV GRANTS	REFUGEE CHILDREN GRANT
24,580	27,176	2,200
-	-	-
-	-	-
-	-	-
-	-	-
<u>24,580</u>	<u>27,176</u>	<u>2,200</u>
8,271	6,437	-
-	-	2,500
-	-	-
<u>8,271</u>	<u>6,437</u>	<u>2,500</u>
-	-	-
-	-	-
26,026	15,554	-
-	-	-
-	-	-
<u>26,026</u>	<u>15,554</u>	<u>-</u>
-	-	-
2,510	-	-
-	-	-
<u>36,807</u>	<u>21,991</u>	<u>2,500</u>
(12,227)	5,185	(300)
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
(12,227)	5,185	(300)
22,332	3,104	2,564
<u>10,105</u>	<u>8,289</u>	<u>2,264</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS, Continued  
 YEAR ENDED JUNE 30, 2005

	SPECIAL REVENUE FUNDS			TOTAL NONMAJOR SPECIAL REVENUE FUNDS
	EDUCATION OF THE HANDICAPPED PRESCHOOL GRANTS	TELECOMMUNICATIONS ACT GRANT	OTHER MISCELLANEOUS FEDERAL GRANTS	
	<u>                    </u>	<u>                    </u>	<u>                    </u>	
<b>Revenues</b>				
Intergovernmental:				
Federal restricted grants-in-aid	\$ 35,983	86,094	295,305	2,435,704
State restricted grants-in-aid	-	-	-	1,262,955
Investment income	-	-	-	1,266
Co-curricular activities	-	-	-	732,247
Class fees	-	-	-	511,559
Other	-	-	-	517,418
Total Revenues	<u>35,983</u>	<u>86,094</u>	<u>295,305</u>	<u>5,461,149</u>
<b>Expenditures</b>				
Current:				
Instructional services:				
Regular	-	-	100,706	743,417
Special	-	-	-	1,246,655
Vocational	-	-	-	374
Total Instructional Services	<u>-</u>	<u>-</u>	<u>100,706</u>	<u>1,990,446</u>
Support services:				
Operation and maintenance of plant	-	-	-	12,021
School administration	-	-	-	75,577
Pupil services	-	-	12,806	160,918
Instructional staff	28,444	-	152,147	1,015,755
Student transportation	-	-	-	2,219
Central services	-	-	-	100,160
Total Support Services	<u>28,444</u>	<u>-</u>	<u>164,953</u>	<u>1,366,650</u>
Co-curricular student activities	-	-	-	1,021,447
Community services	-	-	5,234	906,427
Capital outlay	-	-	6,019	6,019
Total Expenditures	<u>28,444</u>	<u>-</u>	<u>276,912</u>	<u>5,290,989</u>
Excess (deficiency) of revenues over expenditures	7,539	86,094	18,393	170,160
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	7,539	86,094	18,393	170,160
Fund balance at beginning of year	(3,897)	84,105	12,900	2,422,781
Fund balance at end of year	<u>\$ 3,642</u>	<u>170,199</u>	<u>31,293</u>	<u>2,592,941</u>

**WORTHINGTON CITY SCHOOL DISTRICT**

CAPITAL PROJECTS FUNDS			TOTAL NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
BUILDING FUND	PERMANENT IMPROVEMENTS	SCHOOL NET PLUS		
-	-	-	-	2,435,704
-	-	84,315	84,315	1,347,270
2,792	13,336	-	16,128	17,394
-	-	-	-	732,247
-	-	-	-	511,559
-	16,291	-	16,291	533,709
<u>2,792</u>	<u>29,627</u>	<u>84,315</u>	<u>116,734</u>	<u>5,577,883</u>
-	317,602	-	317,602	1,061,019
-	-	-	-	1,246,655
-	-	-	-	374
-	<u>317,602</u>	-	<u>317,602</u>	<u>2,308,048</u>
-	162,869	-	162,869	174,890
-	-	-	-	75,577
-	-	-	-	160,918
-	-	-	-	1,015,755
-	-	-	-	2,219
-	86,584	84,315	170,899	271,059
-	<u>249,453</u>	<u>84,315</u>	<u>333,768</u>	<u>1,700,418</u>
-	-	-	-	1,021,447
-	-	-	-	906,427
21,536	181,358	-	202,894	208,913
<u>21,536</u>	<u>748,413</u>	<u>84,315</u>	<u>854,264</u>	<u>6,145,253</u>
(18,744)	(718,786)	-	(737,530)	(567,370)
-	628,247	-	628,247	628,247
-	<u>628,247</u>	-	<u>628,247</u>	<u>628,247</u>
(18,744)	(90,539)	-	(109,283)	60,877
1,302,542	1,489,964	7	2,792,513	5,215,294
<u>1,283,798</u>	<u>1,399,425</u>	<u>7</u>	<u>2,683,230</u>	<u>5,276,171</u>

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2005

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget: positive (negative)
	Original	Final		
<b>Special Revenue Funds</b>				
<b>Public School Support</b>				
Total Revenues and Other Sources	\$200,000	\$285,419	\$292,642	\$7,223
Total Expenditures and Other Uses	653,152	813,181	258,383	554,798
Net Change in Fund Balance	(453,152)	(527,762)	34,259	562,021
Fund Balance, July 1	533,745	533,745	533,745	0
Prior Year Encumbrances Appropriated	3,152	3,152	3,152	0
Fund Balance, June 30	<u>\$83,745</u>	<u>\$9,135</u>	<u>\$571,156</u>	<u>\$562,021</u>
<b>Grants-Local Sources</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	11,054	5,854	2,547	3,307
Net Change in Fund Balance	(11,054)	(5,854)	(2,547)	3,307
Fund Balance, July 1	11,146	11,146	11,146	0
Prior Year Encumbrances Appropriated	54	54	54	0
Fund Balance, June 30	<u>\$146</u>	<u>\$5,346</u>	<u>\$8,653</u>	<u>\$3,307</u>
<b>Other Local Sources</b>				
Total Revenues and Other Sources	\$0	\$11,260	\$11,457	\$197
Total Expenditures and Other Uses	58,000	58,000	13,350	44,650
Net Change in Fund Balance	(58,000)	(46,740)	(1,893)	44,847
Fund Balance, July 1	71,809	71,809	71,809	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$13,809</u>	<u>\$25,069</u>	<u>\$69,916</u>	<u>\$44,847</u>



Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget: positive (negative)
	Original	Final		
<b>Special Revenue Funds</b>				
<b>District-Managed Student Activities</b>				
Total Revenues and Other Sources	\$500,000	\$762,260	\$762,511	\$251
Total Expenditures and Other Uses	869,851	1,143,516	827,296	316,220
Net Change in Fund Balance	(369,851)	(381,256)	(64,785)	316,471
Fund Balance, July 1	331,360	331,360	331,360	0
Prior Year Encumbrances Appropriated	69,851	69,851	69,851	0
Fund Balance, June 30	<u>\$31,360</u>	<u>\$19,955</u>	<u>\$336,426</u>	<u>\$316,471</u>
<b>Auxiliary Services Fund</b>				
Total Revenues and Other Sources	\$700,000	\$797,607	\$797,607	\$0
Total Expenditures and Other Uses	807,660	953,911	884,501	69,410
Net Change in Fund Balance	(107,660)	(156,304)	(86,894)	69,410
Fund Balance, July 1	100,983	100,983	100,983	0
Prior Year Encumbrances Appropriated	57,660	57,660	57,660	0
Fund Balance, June 30	<u>\$50,983</u>	<u>\$2,339</u>	<u>\$71,749</u>	<u>\$69,410</u>
<b>Uniform School Supplies</b>				
Total Revenues and Other Sources	\$400,000	\$425,733	\$426,666	\$933
Total Expenditures and Other Uses	699,386	727,646	357,966	369,680
Net Change in Fund Balance	(299,386)	(301,913)	68,700	370,613
Fund Balance, July 1	309,848	309,848	309,848	0
Prior Year Encumbrances Appropriated	49,386	49,386	49,386	0
Fund Balance, June 30	<u>\$59,848</u>	<u>\$57,321</u>	<u>\$427,934</u>	<u>\$370,613</u>

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget: positive (negative)
	Original	Final		
<b>Special Revenue Funds</b>				
<b>Special Rotary Funds</b>				
Total Revenues and Other Sources	\$100,000	\$280,542	\$280,542	\$0
Total Expenditures and Other Uses	626,199	856,775	361,789	494,986
Net Change in Fund Balance	(526,199)	(576,233)	(81,247)	494,986
Fund Balance, July 1	605,970	605,970	605,970	0
Prior Year Encumbrances Appropriated	26,198	26,198	26,198	0
Fund Balance, June 30	<u>\$105,969</u>	<u>\$55,935</u>	<u>\$550,921</u>	<u>\$494,986</u>
<b>Career Development Grants</b>				
Total Revenues and Other Sources	\$0	\$8,100	\$8,100	\$0
Total Expenditures and Other Uses	22,200	29,626	7,699	21,927
Net Change in Fund Balance	(22,200)	(21,526)	401	21,927
Fund Balance, July 1	21,126	21,126	21,126	0
Prior Year Encumbrances Appropriated	1,200	1,200	1,200	0
Fund Balance, June 30	<u>\$126</u>	<u>\$800</u>	<u>\$22,727</u>	<u>\$21,927</u>
<b>Entry Year Grants</b>				
Total Revenues and Other Sources	\$0	\$26,400	\$26,400	\$0
Total Expenditures and Other Uses	0	26,400	22,000	4,400
Net Change in Fund Balance	0	0	4,400	4,400
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$4,400</u>	<u>\$4,400</u>

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
<b>Special Revenue Funds</b>				
<b>Management Information Systems (EMIS)</b>				
Total Revenues and Other Sources	\$0	\$30,186	\$30,186	\$0
Total Expenditures and Other Uses	62,965	92,692	37,664	55,028
Net Change in Fund Balance	(62,965)	(62,506)	(7,478)	55,028
Fund Balance, July 1	54,576	54,576	54,576	0
Prior Year Encumbrances Appropriated	8,965	8,965	8,965	0
Fund Balance, June 30	<u>\$576</u>	<u>\$1,035</u>	<u>\$56,063</u>	<u>\$55,028</u>
<b>Data Communication Support</b>				
Total Revenues and Other Sources	\$0	\$57,000	\$57,000	\$0
Total Expenditures and Other Uses	50,000	107,322	61,362	45,960
Net Change in Fund Balance	(50,000)	(50,322)	(4,362)	45,960
Fund Balance, July 1	50,322	50,322	50,322	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$322</u>	<u>\$0</u>	<u>\$45,960</u>	<u>\$45,960</u>
<b>School Net Professional Development</b>				
Total Revenues and Other Sources	\$0	\$6,750	\$6,750	\$0
Total Expenditures and Other Uses	6,750	13,500	6,615	6,885
Net Change in Fund Balance	(6,750)	(6,750)	135	6,885
Fund Balance, July 1	6,750	6,750	6,750	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$6,885</u>	<u>\$6,885</u>

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2005

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget: positive (negative)
	Original	Final		
<b>Special Revenue Funds</b>				
<b>Textbook/Instructional Materials Subsidy</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	59	59	59	0
Net Change in Fund Balance	(59)	(59)	(59)	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	59	59	59	0
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Summer School Grant</b>				
Total Revenues and Other Sources	\$170,672	\$124,086	\$124,086	\$0
Total Expenditures and Other Uses	253,630	207,202	207,202	0
Net Change in Fund Balance	(82,958)	(83,116)	(83,116)	0
Fund Balance, July 1	86	86	86	0
Prior Year Encumbrances Appropriated	83,030	83,030	83,030	0
Fund Balance, June 30	<u>\$158</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Alternative Education Grant</b>				
Total Revenues and Other Sources	\$111,000	\$47,641	\$47,641	\$0
Total Expenditures and Other Uses	111,000	47,641	47,661	(20)
Net Change in Fund Balance	0	0	(20)	(20)
Fund Balance, July 1	20	20	20	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$20</u>	<u>\$20</u>	<u>\$0</u>	<u>(\$20)</u>

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget: positive (negative)
	Original	Final		
<b>Special Revenue Funds</b>				
<b>Ohio Reads Grant</b>				
Total Revenues and Other Sources	\$10,500	\$26,782	\$26,782	\$0
Total Expenditures and Other Uses	23,500	40,102	37,336	2,766
Net Change in Fund Balance	(13,000)	(13,320)	(10,554)	2,766
Fund Balance, July 1	12,320	12,320	12,320	0
Prior Year Encumbrances Appropriated	1,500	1,500	1,500	0
Fund Balance, June 30	\$820	\$500	\$3,266	\$2,766
<b>Other State Grants</b>				
Total Revenues and Other Sources	\$54,488	\$89,317	\$89,317	\$0
Total Expenditures and Other Uses	71,782	106,846	95,890	10,956
Net Change in Fund Balance	(17,294)	(17,529)	(6,573)	10,956
Fund Balance, July 1	10,964	10,964	10,964	0
Prior Year Encumbrances Appropriated	6,782	6,782	6,782	0
Fund Balance, June 30	\$452	\$217	\$11,173	\$10,956
<b>JTPA Grants</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	375	380	374	6
Net Change in Fund Balance	(375)	(380)	(374)	6
Fund Balance, July 1	5	5	5	0
Prior Year Encumbrances Appropriated	375	375	375	0
Fund Balance, June 30	\$5	\$0	\$6	\$6

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2005

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget: positive (negative)
	Original	Final		
<b>Special Revenue Funds</b>				
<b>Special Education Part B Idea Grants</b>				
Total Revenues and Other Sources	\$1,690,133	\$1,495,626	\$1,495,626	\$0
Total Expenditures and Other Uses	1,718,312	1,522,421	1,518,124	4,297
Net Change in Fund Balance	(28,179)	(26,795)	(22,498)	4,297
Fund Balance, July 1	26,570	26,570	26,570	0
Prior Year Encumbrances Appropriated	1,612	1,612	1,612	0
Fund Balance, June 30	<u>\$3</u>	<u>\$1,387</u>	<u>\$5,684</u>	<u>\$4,297</u>
<b>Vocational Education Grants</b>				
Total Revenues and Other Sources	\$0	\$71,616	\$71,616	\$0
Total Expenditures and Other Uses	105,525	105,896	36,792	69,104
Net Change in Fund Balance	(105,525)	(34,280)	34,824	69,104
Fund Balance, July 1	105,246	105,246	105,246	0
Prior Year Encumbrances Appropriated	325	325	325	0
Fund Balance, June 30	<u>\$46</u>	<u>\$71,291</u>	<u>\$140,395</u>	<u>\$69,104</u>
<b>Title III Immigrant/LEP Grants</b>				
Total Revenues and Other Sources	\$72,742	\$78,002	\$78,002	\$0
Total Expenditures and Other Uses	95,242	100,510	97,628	2,882
Net Change in Fund Balance	(22,500)	(22,508)	(19,626)	2,882
Fund Balance, July 1	66	66	66	0
Prior Year Encumbrances Appropriated	22,442	22,442	22,442	0
Fund Balance, June 30	<u>\$8</u>	<u>\$0</u>	<u>\$2,882</u>	<u>\$2,882</u>

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2005

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget: positive (negative)
	Original	Final		
<b>Special Revenue Funds</b>				
<b>Title I Grants</b>				
Total Revenues and Other Sources	\$280,927	\$313,063	\$313,063	\$0
Total Expenditures and Other Uses	281,608	313,771	304,812	8,959
Net Change in Fund Balance	(681)	(708)	8,251	8,959
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	708	708	708	0
Fund Balance, June 30	<u>\$27</u>	<u>\$0</u>	<u>\$8,959</u>	<u>\$8,959</u>
<b>Title V</b>				
Total Revenues and Other Sources	\$44,739	\$46,555	\$46,555	\$0
Total Expenditures and Other Uses	46,570	48,411	38,305	10,106
Net Change in Fund Balance	(1,831)	(1,856)	8,250	10,106
Fund Balance, July 1	186	186	186	0
Prior Year Encumbrances Appropriated	1,670	1,670	1,670	0
Fund Balance, June 30	<u>\$25</u>	<u>\$0</u>	<u>\$10,106</u>	<u>\$10,106</u>
<b>Title IV Grants</b>				
Total Revenues and Other Sources	\$27,287	\$23,355	\$23,355	\$0
Total Expenditures and Other Uses	27,300	23,417	21,991	1,426
Net Change in Fund Balance	(13)	(62)	1,364	1,426
Fund Balance, July 1	62	62	62	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$49</u>	<u>\$0</u>	<u>\$1,426</u>	<u>\$1,426</u>

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget: positive (negative)
	Original	Final		
<b>Special Revenue Funds</b>				
<b>Refugee Children</b>				
Total Revenues and Other Sources	\$0	\$2,200	\$2,200	\$0
Total Expenditures and Other Uses	2,500	4,763	2,500	2,263
Net Change in Fund Balance	(2,500)	(2,563)	(300)	2,263
Fund Balance, July 1	2,563	2,563	2,563	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$63</u>	<u>\$0</u>	<u>\$2,263</u>	<u>\$2,263</u>
<b>Education of the Handicapped Preschool Grant</b>				
Total Revenues and Other Sources	\$34,263	\$30,280	\$30,280	\$0
Total Expenditures and Other Uses	34,200	30,305	29,595	710
Net Change in Fund Balance	63	(25)	685	710
Fund Balance, July 1	25	25	25	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$88</u>	<u>\$0</u>	<u>\$710</u>	<u>\$710</u>
<b>Telecommunications Act Grant</b>				
Total Revenues and Other Sources	\$0	\$86,094	\$86,094	\$0
Total Expenditures and Other Uses	84,100	170,199	0	170,199
Net Change in Fund Balance	(84,100)	(84,105)	86,094	170,199
Fund Balance, July 1	84,105	84,105	84,105	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$5</u>	<u>\$0</u>	<u>\$170,199</u>	<u>\$170,199</u>
<b>Other Miscellaneous Federal Grants</b>				
Total Revenues and Other Sources	\$187,658	\$252,753	\$252,753	\$0
Total Expenditures and Other Uses	192,665	257,427	253,045	4,382
Net Change in Fund Balance	(5,007)	(4,674)	(292)	4,382
Fund Balance, July 1	3,000	3,000	3,000	0
Prior Year Encumbrances Appropriated	2,166	2,166	2,166	0
Fund Balance, June 30	<u>\$159</u>	<u>\$492</u>	<u>\$4,874</u>	<u>\$4,382</u>



Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2005

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>		
<b>Capital Project Funds</b>				
<b>Building Fund</b>				
Total Revenues and Other Sources	\$0	\$2,455	\$2,792	\$337
Total Expenditures and Other Uses	1,245,417	1,245,417	28,387	1,217,030
Net Change in Fund Balance	(1,245,417)	(1,242,962)	(25,595)	1,217,367
Fund Balance, July 1	1,257,125	1,257,125	1,257,125	0
Prior Year Encumbrances Appropriated	45,417	45,417	45,417	0
Fund Balance, June 30	<u>\$57,125</u>	<u>\$59,580</u>	<u>\$1,276,947</u>	<u>\$1,217,367</u>
<b>Permanent Improvements Fund</b>				
Total Revenues and Other Sources	\$0	\$656,265	\$657,874	\$1,609
Total Expenditures and Other Uses	1,049,000	1,707,000	1,094,213	612,787
Net Change in Fund Balance	(1,049,000)	(1,050,735)	(436,339)	614,396
Fund Balance, July 1	1,240,963	1,240,963	1,240,963	0
Prior Year Encumbrances Appropriated	249,000	249,000	249,000	0
Fund Balance, June 30	<u>\$440,963</u>	<u>\$439,228</u>	<u>\$1,053,624</u>	<u>\$614,396</u>
<b>School Net Plus</b>				
Total Revenues and Other Sources	\$0	\$84,315	\$84,315	\$0
Total Expenditures and Other Uses	6	84,321	84,315	6
Net Change in Fund Balance	(6)	(6)	0	6
Fund Balance, July 1	6	6	6	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$6</u>	<u>\$6</u>

**WORTHINGTON CITY SCHOOL DISTRICT**

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WORTHINGTON CITY SCHOOL DISTRICT

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**ENTERPRISE FUND**

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**Enterprise Funds may be used to account for any activity for which a fee is charged to external users of goods or services.**

Food Service Fund - A fund used to record the financial transactions related to the District's food service operation.

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget: positive (negative)
	Original	Final		
<b>Proprietary-Enterprise Fund</b>				
<b>Food Service</b>				
Total Revenues and Other Sources	\$2,700,000	\$2,818,230	\$2,820,128	\$1,898
Total Expenditures and Other Uses	2,723,479	3,323,479	2,988,657	334,822
Net Change in Fund Balance	(23,479)	(505,249)	(168,529)	336,720
Fund Balance, July 1	561,833	561,833	561,833	0
Prior Year Encumbrances Appropriated	23,479	23,479	23,479	0
Fund Balance, June 30	<u>\$561,833</u>	<u>\$80,063</u>	<u>\$416,783</u>	<u>\$336,720</u>

## WORTHINGTON CITY SCHOOL DISTRICT

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### INTERNAL SERVICE FUNDS

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**The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost-reimbursement basis.**

Intra-District Services Fund - A fund provided to account for operations that provide goods or services to other governmental units on a cost-reimbursement basis.

Employee Benefit Insurance Fund - A fund provided to account for money received from other funds as payment for providing medical, hospitalization, life and dental insurance. Payments are made to a third party administrator for claims payments, claims administration and stop-loss coverage. As of October 1, 2002 this fund accounted for the premium based plan, except for dental cost which are self insured.

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF NET ASSETS**  
**ALL INTERNAL SERVICE FUNDS**  
**JUNE 30, 2005**

	<u>INTRA-DISTRICT SERVICES</u>	<u>EMPLOYEE BENEFIT INSURANCE</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 107,429	996,194	1,103,623
Inventory	8,564	-	8,564
Capital assets, net	232,839	-	232,839
Total assets	<u>348,832</u>	<u>996,194</u>	<u>1,345,026</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	69,425	5,035	74,460
Due to other governments	6,025	-	6,025
Accrued liabilities	8,839	140,000	148,839
Total liabilities	<u>84,289</u>	<u>145,035</u>	<u>229,324</u>
<b><u>Net Assets</u></b>			
Invested in capital assets	232,839	-	232,839
Unrestricted	31,704	851,159	882,863
Total net assets	<u>\$ 264,543</u>	<u>851,159</u>	<u>1,115,702</u>

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS**  
**ALL INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2005**

	<u>INTRA-DISTRICT SERVICES</u>	<u>EMPLOYEE BENEFIT INSURANCE</u>	<u>TOTAL</u>
<b>Operating Revenues</b>			
Charges for services	\$ 323,629	13,812,423	14,136,052
Total operating revenues	<u>323,629</u>	<u>13,812,423</u>	<u>14,136,052</u>
<b>Operating Expenses</b>			
Supplies and materials	77,252	-	77,252
Personal services	70,703	-	70,703
Employee benefits	38,038	-	38,038
Purchased services	219,534	12,836,165	13,055,699
Depreciation	2,451	-	2,451
Total operating expenses	<u>407,978</u>	<u>12,836,165</u>	<u>13,244,143</u>
Operating income (loss)	(84,349)	976,258	891,909
Capital contribution	<u>147,000</u>	<u>-</u>	<u>147,000</u>
Net change	62,651	976,258	1,038,909
Net assets at the beginning of year	201,892	(125,099)	76,793
Net assets at the end of year	<u>\$ 264,543</u>	<u>851,159</u>	<u>1,115,702</u>

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2005**

	INTRA- DISTRICT SERVICES	EMPLOYEE BENEFIT SELF- INSURANCE	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from sales	\$ 323,629	-	323,629
Cash received from charges for services	-	13,812,423	13,812,423
Cash payments for personal services	(102,042)	-	(102,042)
Cash payments for purchased services	(233,030)	(12,824,887)	(13,057,917)
Cash payments for supplies and materials	(13,829)	-	(13,829)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>(25,272)</u>	<u>987,536</u>	<u>962,264</u>
<b>CASH FLOWS USED IN CAPITAL AND OTHER RELATED RELATED FINANCING ACTIVITIES-</b>			
Acquisition of Property, plant and equipment	(88,290)	-	(88,290)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(113,562)</u>	<u>987,536</u>	<u>873,974</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	220,991	8,658	229,649
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 107,429</u>	<u>996,194</u>	<u>1,103,623</u>
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
<b>Operating income (loss)</b>	\$ (84,349)	976,258	891,909
Depreciation	2,451	-	2,451
Change in assets and liabilities:			-
Inventory	1,234	-	1,234
Accounts payable	48,693	(8,722)	39,971
Due to other governments	988	-	988
Accrued liabilities	5,711	20,000	25,711
<b>Net cash provided (used) by operating activities</b>	<u>\$ (25,272)</u>	<u>987,536</u>	<u>962,264</u>
<b>Noncash activities-</b>			
Capital contribution	<u>\$ 140,000</u>	<u>-</u>	<u>140,000</u>



Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
<b>Proprietary-Internal Service Funds</b>				
<b>Intra-District Services Fund</b>				
Total Revenues and Other Sources	\$550,000	\$756,205	\$758,205	\$2,000
Total Expenditures and Other Uses	942,982	942,982	838,186	104,796
Net Change in Fund Balance	(392,982)	(186,777)	(79,981)	106,796
Fund Balance, July 1	403,529	403,529	403,529	0
Prior Year Encumbrances Appropriated	42,981	42,981	42,981	0
Fund Balance, June 30	\$53,528	\$259,733	\$366,529	\$106,796
<b>Employee Benefit Insurance</b>				
Total Revenues and Other Sources	\$9,000,000	\$13,812,423	\$13,812,423	\$0
Total Expenditures and Other Uses	9,000,000	12,950,000	12,824,887	125,113
Net Change in Fund Balance	0	862,423	987,536	125,113
Fund Balance, July 1	8,658	8,658	8,658	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	\$8,658	\$871,081	\$996,194	\$125,113

**WORTHINGTON CITY SCHOOL DISTRICT**

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# WORTHINGTON CITY SCHOOL DISTRICT

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## FIDUCIARY FUND TYPE

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### TRUST AND AGENCY FUNDS

**The Trust Funds are used to account for assets held by the school district in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.**

**The Agency Funds is used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.**

Private Purpose Trust Fund - The District's Private Purpose Trust Fund is used to account for money which has been set aside as an scholarship purposes. The income from such funds may be expended in accordance with the related trust agreement, but the principal must remain intact.

District Managed Agency Fund - An agency fund used to account for the deferred compensation plans offered to District employees.

Student Activity Agency Fund - An agency fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

WORTHINGTON CITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND LIABILITIES - AGENCY FUNDS  
 JUNE 30, 2005

	<u>DISTRICT MANAGED FUNDS</u>	<u>STUDENT AGENCY FUNDS</u>	<u>TOTAL AGENCY FUNDS</u>
<b>ASSETS:</b>			
Cash and investments	\$ 298,962	340,247	639,209
Inventory	0	8,260	8,260
<b>TOTAL ASSETS</b>	<u>298,962</u>	<u>348,507</u>	<u>647,469</u>
<b>LIABILITIES:</b>			
Accounts payable	0	19,171	19,171
Due to others	298,962	329,336	628,298
<b>TOTAL LIABILITIES</b>	<u>\$ 298,962</u>	<u>348,507</u>	<u>647,469</u>

WORTHINGTON CITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005

District Managed Funds	BALANCE At <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	BALANCE At <u>June 30, 2005</u>
<b>ASSETS:</b>				
Cash and investments	\$ 285,373	338,714	325,125	298,962
<b>TOTAL ASSETS</b>	<u>285,373</u>	<u>338,714</u>	<u>325,125</u>	<u>298,962</u>
<b>LIABILITIES:</b>				
Due to others	285,373	338,714	325,125	298,962
<b>TOTAL LIABILITIES</b>	<u>\$ 285,373</u>	<u>338,714</u>	<u>325,125</u>	<u>298,962</u>
Student Agency Funds	BALANCE At <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	BALANCE At <u>June 30, 2005</u>
<b>ASSETS:</b>				
Cash and investments	\$ 355,821	295,179	310,753	340,247
Inventory	17,292	8,260	17,292	8,260
<b>TOTAL ASSETS</b>	<u>373,113</u>	<u>303,439</u>	<u>328,045</u>	<u>348,507</u>
<b>LIABILITIES:</b>				
Accounts payable	20,635	19,171	20,635	19,171
Due to others	352,478	329,336	352,478	329,336
<b>TOTAL LIABILITIES</b>	<u>\$ 373,113</u>	<u>348,507</u>	<u>373,113</u>	<u>348,507</u>
Total Agency Funds	BALANCE At <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	BALANCE At <u>June 30, 2005</u>
<b>ASSETS:</b>				
Cash and investments	\$ 641,194	633,893	635,878	639,209
Inventory	17,292	8,260	17,292	8,260
<b>TOTAL ASSETS</b>	<u>658,486</u>	<u>642,153</u>	<u>653,170</u>	<u>647,469</u>
<b>LIABILITIES:</b>				
Accounts payable	20,635	19,171	20,635	19,171
Due to others	637,851	668,050	677,603	628,298
<b>TOTAL LIABILITIES</b>	<u>\$ 658,486</u>	<u>687,221</u>	<u>698,238</u>	<u>647,469</u>

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget: positive (negative)
	Original	Final		
<b>Private Purpose Trust Fund</b>				
Total Revenues and Other Sources	\$0	\$7,366	\$7,739	\$373
Total Expenditures and Other Uses	160,000	5,800	4,080	1,720
Net Change in Fund Balance	(160,000)	1,566	3,659	2,093
Fund Balance, July 1	148,970	148,970	148,970	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	(\$11,030)	\$150,536	\$152,629	\$2,093

**WORTHINGTON CITY SCHOOL DISTRICT**

**STATISTICAL  
SECTION**



Worthington Schools . . . Where Excellence Is A Tradition





Table 1A

**WORTHINGTON CITY SCHOOL DISTRICT**  
 General Governmental Expenditures by Function (1)  
 Last Ten Fiscal Years

Fiscal Year	Instructional Services	Support Services	Co-curricular		Capital Outlay	Debt Service	Total
			Student Activities	Community Service			
1996	\$ 41,344,200	26,817,568	1,844,956	1,294	5,832,261	9,496,256	85,336,535
1997	\$ 41,747,564	27,106,825	1,842,044	12,219	3,445,805	9,377,035	83,531,492
1998	\$ 44,617,413	28,969,603	1,894,514	8,640	3,574,334	9,375,811	88,440,315
1999	\$ 47,909,079	30,153,734	2,066,833	4,406	8,871,466	10,518,747	99,524,265
2000	\$ 50,329,385	32,727,619	2,224,510	12,580	13,777,632	11,074,404	110,146,130
2001	\$ 54,871,777	35,134,052	2,398,536	19,321	6,966,795	10,575,803	109,966,284
2002	\$ 56,520,441	36,142,847	2,294,699	12,250	1,782,704	12,354,999	109,107,940
2003	\$ 59,685,321	38,473,504	2,546,701	55,950	487,521	11,423,109	112,672,106
2004	\$ 62,256,880	38,523,733	2,498,870	730,557	307,563	10,676,321	114,993,924
2005	\$ 63,311,351	38,715,981	2,606,752	1,031,187	208,913	9,681,321	115,555,505

Notes: (1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

Table 1B

**WORTHINGTON CITY SCHOOL DISTRICT**  
 General Fund Expenditures by Function  
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Instructional Services</u>	<u>Support Services</u>	<u>Co-curricular Student Activities</u>	<u>Community Service</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1996	\$ 40,811,581	25,867,346	1,243,589	-	1,415,213	-	69,337,729
1997	\$ 41,120,178	25,714,728	1,283,500	-	1,741,254	-	69,859,660
1998	\$ 43,988,284	27,838,516	1,305,612	-	1,283,697	-	74,416,109
1999	\$ 47,064,429	29,119,038	1,411,163	-	1,826,678	-	79,421,308
2000	\$ 49,064,429	31,553,370	1,499,043	-	2,575,184	-	85,066,864
2001	\$ 53,985,363	34,009,941	1,638,097	-	1,799,760	-	91,433,161
2002	\$ 54,995,662	34,750,128	1,604,729	-	5,015	68,928	91,424,462
2003	\$ 57,852,375	36,681,382	1,727,731	-	560	26,234	96,288,282
2004	\$ 60,456,619	35,768,591	1,692,485	-	703	650,000	98,568,398
2005	\$ 61,003,303	36,934,026	1,585,305	124,760	-	-	99,647,394

**WORTHINGTON CITY SCHOOL DISTRICT**  
 General Governmental Revenues by Source (1)  
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes</u>	<u>State Sources</u>	<u>Federal Sources</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1996	\$ 67,076,737	17,486,793	656,469	1,692,089	2,138,163	89,050,251
1997	\$ 62,627,259	17,367,025	635,168	1,907,935	1,661,269	84,198,656
1998	\$ 66,602,486	19,431,400	574,232	2,493,703	2,344,951	91,446,772
1999	\$ 68,288,250	20,547,588	599,585	2,433,679	2,152,209	94,021,311
2000	\$ 69,737,913	20,851,679	999,067	2,256,811	2,547,547	96,393,017
2001	\$ 71,965,768	23,174,312	1,041,975	2,143,211	2,612,173	100,937,439
2002	\$ 65,901,275	26,612,711	1,303,459	664,559	2,045,001	96,527,005
2003	\$ 77,987,633	26,916,435	1,342,234	407,404	3,503,237	110,156,943
2004	\$ 88,092,800	26,586,297	2,135,321	272,874	3,494,404	120,581,696
2005	\$ 88,710,525	26,735,348	2,433,504	771,016	2,915,542	121,565,935

Notes: (1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

Table 2B

**WORTHINGTON CITY SCHOOL DISTRICT**  
 General Fund Revenues by Source  
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes</u>	<u>State Sources</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1996	\$ 58,217,466	14,966,472	1,572,253	1,272,011	76,028,202
1997	\$ 54,473,145	15,285,840	1,856,501	886,702	72,502,188
1998	\$ 57,348,808	16,783,557	2,083,454	1,448,202	77,664,021
1999	\$ 58,598,139	18,243,046	1,893,498	1,230,039	79,964,722
2000	\$ 60,247,634	18,661,769	1,819,399	1,488,638	82,217,440
2001	\$ 62,339,365	20,635,748	1,677,538	1,168,774	85,821,425
2002	\$ 58,757,516	24,761,194	580,270	874,824	84,973,804
2003	\$ 69,466,893	24,600,854	316,693	1,610,418	95,994,858
2004	\$ 78,454,204	24,492,000	238,030	1,530,688	104,714,922
2005	\$ 80,177,201	24,436,727	753,622	1,138,027	106,505,577

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Property Tax Levies and Collections  
 Last Ten Years

<b>Collection Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>% of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>% of Total Collections to Levy</b>	<b>Outstanding Delinquent Taxes</b>
1996	71,429,318	69,160,239	96.82	1,773,077	70,933,316	99.31	3,110,548
1997	71,755,160	71,227,448	99.26	2,361,553	73,589,000	102.56	2,067,455
1998	73,623,396	73,056,853	99.23	1,491,730	74,548,583	101.26	2,683,127
1999	73,464,531	74,598,352	101.54	1,743,994	76,342,346	103.92	2,594,757
2000	76,356,202	74,691,790	97.82	1,800,298	76,492,088	100.18	2,968,985
2001	77,711,146	76,318,858	98.21	1,856,130	78,174,988	100.60	4,087,123
2002	88,036,586	85,884,488	95.56	3,526,269	89,410,757	101.56	4,359,612
2003	87,483,625	85,329,743	97.54	2,311,928	87,641,671	100.18	5,271,460
2004	86,312,043	84,257,612	97.62	2,387,052	86,644,664	100.38	5,829,985
2005	NA	NA	NA	NA	NA	NA	NA

NA = Not available at the time of issuance

Sources: Office of the County Auditor, Franklin County, Ohio.

NA = Not Available at the time of issuance.

Source: Office of the County Auditor, Franklin County, Ohio

Table 4A

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Years

Collection Year	%	Real Property		%	Personal Property		%	Public Utility		Total	
		Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1996	35%	1,090,651,200	3,116,146,286	25%	164,705,264	658,821,056	35%	60,811,950	173,748,429	1,316,168,414	3,948,715,771
1997	35%	1,161,727,240	3,319,220,686	25%	172,035,095	688,140,380	35%	62,029,110	177,226,029	1,395,791,445	4,184,587,095
1998	35%	1,170,127,840	3,343,222,400	25%	168,152,747	672,610,988	35%	62,811,200	179,460,571	1,401,091,787	4,195,293,959
1999	35%	1,187,226,200	3,392,074,857	25%	172,157,630	688,630,520	35%	51,529,460	147,227,029	1,410,913,290	4,227,932,406
2000	35%	1,334,885,820	3,813,959,485	25%	173,673,482	694,693,928	35%	61,834,790	176,670,828	1,570,394,092	4,685,324,241
2001	35%	1,348,010,980	3,851,459,942	25%	182,366,084	729,464,336	35%	60,284,870	172,242,485	1,590,661,934	4,753,166,763
2002	35%	1,361,777,250	3,890,792,142	25%	199,935,920	799,743,680	35%	50,099,860	143,142,456	1,611,813,030	4,833,678,278
2003	35%	1,517,928,590	4,336,938,828	25%	222,111,873	888,447,492	35%	51,560,220	147,314,913	1,791,600,683	5,372,701,233
2004	35%	1,526,293,780	4,360,839,370	25%	196,298,030	785,192,120	35%	55,641,930	158,976,942	1,778,233,740	5,305,008,432
2005	35%	1,531,629,970	4,376,085,628	25%	180,456,129	721,824,516	35%	54,413,770	155,467,913	1,766,499,869	5,253,378,057

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Assessed and Estimated Actual Value of Taxable Property by Sub-Division  
 2004 Collection Year

Sub-division	Real Property			Personal Property			Public Utility			Total	
	Assessed Value	Estimated Actual Value	% to Total	Assessed Value	Estimated Actual Value	% to Total	Assessed Value	Estimated Actual Value	% to Total	Assessed Value	Estimated Actual Value
City of Worthington	\$ 487,629,550	\$ 1,393,227,285	31.84%	\$ 42,810,652	\$ 171,242,608	23.72%	\$ 14,753,430	\$ 42,152,657	27.11%	\$ 545,193,632	\$ 1,606,622,550
City of Columbus	901,066,330	2,574,475,229	58.83%	133,829,627	535,318,508	74.16%	30,481,730	87,090,657	56.02%	1,065,377,687	3,196,884,394
Village of Riverlea	18,144,170	51,840,486	1.18%	101,560	406,240	0.06%	162,720	464,914	0.30%	18,408,450	52,711,640
Perry Township	95,851,070	273,860,200	6.26%	3,122,590	12,490,360	1.73%	1,879,200	5,369,143	3.45%	100,852,860	291,719,703
Sharon Township	28,938,850	82,682,429	1.89%	591,700	2,366,800	0.33%	7,136,690	20,390,543	13.12%	36,667,240	105,439,772
<b>Total</b>	<b>1,531,629,970</b>	<b>4,376,085,629</b>		<b>180,456,129</b>	<b>721,824,516</b>		<b>54,413,770</b>	<b>155,467,914</b>		<b>1,766,499,869</b>	<b>5,253,378,059</b>

Note--Real property, personal property and public utility assessed value represents 35%, 25% and 35% of estimated actual values respectively, as established by state law.

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Real Property Tax Rates - Direct and Overlapping Governments  
 Last Ten Years  
 CITY OF WORTHINGTON  
 (Per \$1,000 of Assessed Valuation)

<b>Collection Year</b>	<b>City of Worthington</b>	<b>Franklin County</b>	<b>Sharon Township</b>	<b>Library</b>	<b>Worthington School Dist.</b>	<b>Full Rate</b>	<b>Residential/ Agriculture Effective Rate</b>	<b>Commercial/ Industrial Effective Rate</b>
1996	3.00	14.82	0.60	2.20	73.40	94.02	66.5440	71.4522
1997	3.00	15.12	0.60	2.20	72.88	93.80	63.1357	70.1997
1998	3.00	15.22	0.60	2.20	73.66	94.68	64.0904	71.2237
1999	3.00	17.54	0.60	2.20	73.66	97.00	66.3437	72.8107
2000	3.00	17.64	0.60	2.20	72.65	96.09	60.9406	67.6809
2001	3.00	17.64	0.60	2.20	72.65	96.09	60.7908	67.1461
2002	3.00	17.64	0.50	2.20	78.38	101.72	66.4030	72.1763
2003	3.00	17.64	0.50	2.20	77.88	101.22	60.7553	69.2800
2004	3.00	17.64	0.50	2.20	77.71	101.05	60.4806	69.2569
2005	3.00	18.44	0.50	2.20	84.56	108.70	68.3933	78.2246

Note -- The Worthington City School District consists of the following five taxing districts: City of Worthington, City of Columbus, Village of Riverlea, Perry Township and Sharon Township.



**WORTHINGTON CITY SCHOOL DISTRICT**  
 Real Property Tax Rates - Direct and Overlapping Governments  
 Last Ten Years  
 CITY OF COLUMBUS  
 (Per \$1,000 of Assessed Valuation)

<b>Collection Year</b>	<b>City of Columbus</b>	<b>Franklin County</b>	<b>Library</b>	<b>Worthington School District</b>	<b>Full Rate</b>	<b>Residential/ Agriculture Effective Rate</b>	<b>Commercial/ Industrial Effective Rate</b>
1996	3.14	14.82	2.20	73.40	93.56	66.0840	70.9922
1997	3.14	15.12	2.20	72.88	93.34	62.6757	69.7397
1998	3.14	15.22	2.20	73.66	94.22	63.6304	70.7637
1999	3.14	17.54	2.20	73.66	96.54	65.8837	72.3507
2000	3.14	17.64	2.20	72.65	95.63	60.4806	67.2209
2001	3.14	17.64	2.20	72.65	95.63	60.3508	66.7061
2002	3.14	17.64	2.20	78.38	101.36	66.0430	71.8163
2003	3.14	17.64	2.20	77.88	100.86	60.3953	68.9200
2004	3.14	17.64	2.20	77.71	100.69	60.1206	68.8969
2005	3.14	18.44	2.20	84.56	108.34	68.0333	77.8646

Note -- The Worthington City School District consists of the following five taxing districts: City of Worthington, City of Columbus, Village of Riverlea, Perry Township and Sharon Township.

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Real Property Tax Rates - Direct and Overlapping Governments  
 Last Ten Years  
 VILLAGE OF RIVERLEA  
 (Per \$1,000 of Assessed Valuation)

<b>Collection Year</b>	<b>Village of Riverlea</b>	<b>Franklin County</b>	<b>Sharon Township</b>	<b>Library</b>	<b>Worthington School Dist.</b>	<b>Full Rate</b>	<b>Residential/ Agriculture Effective Rate</b>	<b>Commercial/ Industrial Effective Rate</b>
1996	8.00	14.82	3.60	2.20	73.40	102.02	73.0376	78.0091
1997	6.00	15.12	3.60	2.20	72.88	99.80	68.0212	75.8408
1998	6.00	15.22	3.60	2.20	73.66	100.68	68.9757	76.8790
1999	6.00	17.54	3.60	2.20	73.66	103.00	71.2311	78.2554
2000	6.00	17.64	3.60	2.20	72.65	102.09	65.1213	72.6177
2001	6.00	17.64	3.60	2.20	72.65	102.09	64.9731	72.0228
2002	6.00	17.64	3.50	2.20	78.38	107.72	65.1213	72.6177
2003	6.00	17.64	3.50	2.20	77.88	107.22	64.0975	73.6590
2004	6.00	17.64	3.50	2.20	77.71	107.05	63.8290	73.6360
2005	6.00	18.44	3.50	2.20	84.56	114.70	71.7394	82.6036

Note -- The Worthington City School District consists of the following five taxing districts: City of Worthington, City of Columbus, Village of Riverlea, Perry Township and Sharon Township.

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Real Property Tax Rates - Direct and Overlapping Governments  
 Last Ten Years  
 PERRY TOWNSHIP  
 (Per \$1,000 of Assessed Valuation)

<b>Collection Year</b>	<b>Franklin County</b>	<b>Perry Township</b>	<b>Library</b>	<b>Worthington School District</b>	<b>Full Rate</b>	<b>Residential/ Agriculture Effective Rate</b>	<b>Commercial/ Industrial Effective Rate</b>
1996	14.82	23.80	2.20	73.40	114.22	79.4902	82.3926
1997	15.12	23.80	2.20	72.88	114.00	74.9921	80.8787
1998	15.22	23.80	2.20	73.66	114.88	76.0275	81.8584
1999	17.54	23.80	2.20	73.66	117.20	78.6678	86.1906
2000	17.64	23.80	2.20	72.65	116.29	71.6184	78.8807
2001	17.64	23.80	2.20	72.65	116.29	70.2258	77.3188
2002	17.64	23.80	2.20	78.38	122.02	79.2200	85.6251
2003	17.64	23.80	2.20	77.88	121.52	71.8528	81.6524
2004	17.64	20.40	2.20	77.71	117.95	72.9892	81.2885
2005	18.44	18.40	2.20	84.56	123.60	81.2259	90.7246

Note -- The Worthington City School District consists of the following five taxing districts: City of Worthington, City of Columbus, Village of Riverlea, Perry Township and Sharon Township.

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Real Property Tax Rates - Direct and Overlapping Governments  
 Last Ten Years  
 SHARON TOWNSHIP  
 (Per \$1,000 of Assessed Valuation)

<b>Collection Year</b>	<b>Franklin County</b>	<b>Sharon Township</b>	<b>Library</b>	<b>Worthington School District</b>	<b>Full Rate</b>	<b>Residential/ Agriculture Effective Rate</b>	<b>Commercial/ Industrial Effective Rate</b>
1996	14.82	13.10	2.20	73.40	103.52	74.9410	80.2697
1997	15.12	13.10	2.20	72.88	103.30	70.6388	78.7684
1998	15.22	13.10	2.20	73.66	104.18	71.5919	79.8566
1999	17.54	13.10	2.20	73.66	106.50	73.8558	81.4284
2000	17.64	19.10	2.20	72.65	111.59	72.4310	80.9014
2001	17.64	19.10	2.20	72.65	111.59	72.2968	79.9594
2002	17.64	19.00	2.20	78.38	117.22	77.9002	84.8649
2003	17.64	23.50	2.20	77.88	121.22	74.5215	85.0989
2004	17.64	23.50	2.20	77.71	121.05	74.2750	85.0758
2005	18.44	23.50	2.20	84.56	128.70	82.1828	94.0435

Note -- The Worthington City School District consists of the following five taxing districts: City of Worthington, City of Columbus, Village of Riverlea, Perry Township and Sharon Township.

**WORTHINGTON CITY SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAXPAYERS**  
(2005  
Collection Year)

Table 6

<u>Public Utilities</u>		
	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
1. Columbus Southern Power Company	\$ 23,217,380	1.31%
2. Ohio Bell Telephone Company	11,217,430	0.64%
3. Sprintcom Inc.	8,522,060	0.48%
<u>Real Estate</u>		
1. Anheuser-Busch Inc.	17,729,950	1.00%
2. Eastrich No 167 Corp.	11,511,520	0.65%
3. ASP Boma LLC	9,312,470	0.53%
4. Worthington Industries	8,490,540	0.48%
5. Columbus Retail Inc.	8,184,690	0.46%
6. EOP-Community Corporate	8,050,000	0.46%
7. Worthington Meadows	7,645,740	0.43%
8. Fieldstone Trace Partnership	7,334,260	0.42%
9. Regency Centers LP	7,039,510	0.40%
10. Donald R Kenney TR	6,928,120	0.39%
<u>Tangible Personal Property</u>		
1. Anheuser-Busch Inc.	79,000,160	4.47%
2. Worthington Steel Inc.	10,356,530	0.59%
3. Diamond Inovations Inc.	7,867,510	0.45%
4. Liebert North America Inc.	5,502,280	0.31%
5. Jack Maxton Chevrolet, Inc.	4,834,440	0.27%
6. Mettler Toledo Inc.	4,519,080	0.26%
7. Chase Manhattan Mortgage Corp.	3,692,100	0.21%
8. Worthington Foods Inc.	3,167,930	0.18%
9. Worthington Cylinder Corporation	3,036,380	0.17%
10. Lydall Thermal/Acoustical Inc.	2,335,510	0.13%

**WORTHINGTON CITY SCHOOL DISTRICT**

Table 7

Computation of Legal Debt Margin  
June 30, 2005

Total Assessed Valuation	(1) \$	1,766,499,869
<b>OVERALL DEBT LIMITATION:</b>		
9% of assessed valuation		158,984,988
Gross indebtedness	(2)	38,106,760
Less: Debt outside limitations		-
Net debt within limitation		38,106,760
Legal debt margin within 9% limitation		120,878,228
<b>UNVOTED DEBT LIMITATION:</b>		
.1% of assessed valuation		1,766,500
Gross indebtedness		650,000
Less: Debt outside limitations		-
Net debt within limitation		650,000
Legal debt margin within .1% limitation		1,116,500

Note: (1) Assessed valuation from Table 4.  
(2) Gross indebtedness excludes accretion on deep discount debt and certificates of participation.

Source: Office of the Treasurer, Worthington City School District

Table 8

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Ratio of Net General Bonded Debt  
 to Assessed Value and Net Bonded Debt per Capita  
 Last Ten Years

<u>Collection Year</u>	<u>Estimated Population (1)</u>	<u>Assessed Value Real &amp; Personal Property (2)</u>	<u>General Bonded Debt (3)</u>	<u>Ratio of Bonded Debt to Assessed Value (%)</u>	<u>Net Bonded Debt Per Capita</u>
1996	54,919	1,316,168,414	72,916,234	5.22%	1,327.71
1997	55,194	1,395,791,445	68,061,234	4.86%	1,233.13
1998	55,894	1,401,091,787	76,911,024	5.45%	1,376.02
1999	56,115	1,410,913,290	70,676,024	4.50%	1,259.49
2000	56,938	1,570,394,092	70,961,024	4.44%	1,246.29
2001	56,975	1,590,661,934	64,572,478	4.06%	1,133.35
2002	56,975	1,611,813,030	60,402,478	3.75%	1,060.16
2003	58,687	1,791,600,683	52,062,458	2.91%	887.12
2004	59,063	1,778,233,740	44,024,016	2.48%	745.37
2005	60,248	1,766,499,869	38,106,760	2.16%	632.50

Notes: (1) Population estimates were obtained from the Mid-Ohio Regional Planning Commission.  
 (2) Assessed values from Table 4.  
 (3) Office of the Treasurer, Worthington City School District.

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Ratio of Annual General Obligation Bonded Debt Service Expenditures  
 to Total General Governmental Expenditures  
 Last Ten Years

<u>Fiscal Year</u>	<u>Total General Obligation Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of General Obligation Bonded Debt Service to Total General Fund Expenditures</u>
1996	9,496,256	85,336,535	0.11
1997	9,377,035	83,531,492	0.11
1998	9,375,811	88,440,315	0.11
1999	10,518,747	99,524,265	0.11
2000	11,074,404	110,146,130	0.10
2001	10,575,803	109,966,284	0.10
2002	12,354,999	109,107,940	0.11
2003	11,423,109	112,672,106	0.10
2004	10,676,321	114,993,924	0.09
2005	9,681,321	115,555,505	0.08

Source: Office of the Treasurer, Worthington City School District



**WORTHINGTON CITY SCHOOL DISTRICT**

Computation of Direct and Overlapping Debt  
December 31, 2004

	<b><u>Assessed Valuation</u></b>	<b><u>General Bonded Debt</u></b>	<b><u>Percent Overlapping</u></b>	<b><u>Amount Applicable to Worthington City School District</u></b>
Direct				
Worthington City School District	\$ 1,766,499,869	\$ 38,106,760	100.00%	\$ 38,106,760
Overlapping				
Franklin County	25,232,679,668	86,435,000	7.00%	6,051,177
City of Worthington	545,193,632	9,620,515	100.00%	9,620,515
City of Columbus	14,380,777,269	283,748,348	7.41%	21,023,855
Village of Riverlea	18,408,450	-	100.00%	-
Perry Township	129,896,196	-	77.64%	-
Sharon Township	628,649,534	-	96.32%	-
Total Overlapping		<u>\$ 379,803,863</u>		<u>\$ 36,695,548</u>

Sources: Office of the County Auditor, Franklin County, Ohio.

**WORTHINGTON CITY SCHOOL DISTRICT**

Table 11

Demographic Statistics  
Enrollment Data  
Last Ten Fiscal Years

<u>School Year</u>	<u>Enrollment K - 12</u>	<u>Increase/ Decrease</u>	<u>Percent Increase/ Decrease</u>
1995-96	10,818	17	0.16%
1996-97	10,790	(28)	(0.26%)
1997-98	10,680	(110)	(1.02%)
1998-99	10,604	(76)	(0.71%)
1999-00	10,498	(106)	(1.00%)
2000-01	10,323	(175)	(1.67%)
2001-02	10,031	(292)	(2.83%)
2002-03	9,934	(97)	(0.97%)
2003-04	9,651	(283)	(2.85%)
2004-05	9,619	(32)	(0.33%)

Source: Office of the Treasurer, Worthington City School District

**WORTHINGTON CITY SCHOOL DISTRICT**  
 New Construction and Real Property Values  
 Last Ten Years

Collection Year	New Construction (1)			Real Property Values (1)		
	Agricultural/ Residential	Commercial/ Industrial	Total	Agricultural/ Residential	Commercial/ Industrial	Total
1996	8,920,340	3,886,200	12,806,540	755,940,280	334,710,920	1,090,651,200
1997	6,471,600	7,285,460	13,757,060	816,606,370	345,040,400	1,161,646,770
1998	6,622,640	533,730	7,156,370	824,289,160	345,838,680	1,170,127,840
1999	2,964,420	9,024,050	11,988,470	831,202,970	356,023,230	1,187,226,200
2000	2,935,310	9,024,050	11,959,360	929,520,290	405,365,530	1,334,885,820
2001	4,927,160	6,228,260	11,155,420	934,815,990	413,194,990	1,348,010,980
2002	4,707,220	4,208,430	8,915,650	937,915,140	423,862,110	1,361,777,250
2003	2,003,120	1,849,600	3,852,720	1,072,551,470	445,377,120	1,517,928,590
2004	4,662,450	3,905,480	8,567,930	1,078,744,680	447,549,100	1,526,293,780
2005	6,893,230	1,256,970	8,150,200	1,087,563,880	444,066,090	1,531,629,970

Sources: (1) Office of the County Auditor, Franklin County, Ohio.

Miscellaneous Statistics

**Enrollment**

October 2004 9,619

**Staff**

	<u>FTE</u>	<u>Head Count</u>
Certificated	742.37	800
Classified	403.58	489
	<u>1,145.95</u>	<u>1,289</u>

**Education and Experience of Teaching Staff**

Average classroom teaching experience (in years) 15.8

Percentage of Teachers with Master's Degrees (or beyond) 78.0%

**Percentage of High School graduates:**

Enrolling in post-secondary programs 90.0%

**ACT Scores Composite 2004-2005**

(National Average 20.9 ) 24

**SAT Scores Average 2004-2005**

Verbal (National Average 508) 547

Math (National Average 518) 580



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
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**WORTHINGTON CITY SCHOOL DISTRICT**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 19, 2006**